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Rio and after
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Poisoning scandal that
haunts Japan

FINANCIAL TIMES

Friday June 12 1992

EUROPE'S BUSINESS NEWSPAPER

D8523A

Washington tries to lift its image at Rio Earth Summit

The US yesterday stepped up its diplomatic offensive in Rio de Janeiro as President George Bush left Washington for the Earth Summit, which reaches its climax today.

While Mr Bush repeated in Washington that he would not sign one of the summit's central treaties on biological diversity, US summit delegates sought to improve their image in Rio, where the US has been largely isolated.

Critical problems remain to be resolved at the summit before more than 100 heads of state arrive. Although delegates were hopeful of an agreement on finance, efforts to reach a deal on a set of non-binding forest principles seemed headed for breakdown. Page 18; Southern discomfort, Page 16; Bush stands firm, Page 6.

GM shake-up General Motors, world's largest car and truck maker, has carried out a disciplinary shake-up of the management of its finance arm over a \$400m loan fraud scandal. Page 19.

London to host arms talks US secretary of state James Baker and Russian foreign minister Andrei Kozyrev will meet in London today to try again to agree on deep cuts in nuclear weapons ahead of next week's US-Russian summit.

Slovenia replaces signs of the past The governor of Carinthia, Christoph Zernatto, prepares to plaster a Slovenia national identity sign over the Yugoslavia plate on a road sign at the Austrian-Slovenian border. UN reaches Sarajevo. Page 3.

Air Russia to cost \$300m British Airways, UK national carrier, expects the development of Air Russia, its new Moscow-based joint airline venture, to cost up to \$300m. Page 19.

Japanese trade surplus soars Japan's trade surplus continued to surge in May, rising 89 per cent from a year ago to \$7.9bn. Page 4.

Credit rating blow for UK banks A deterioration in the balance sheet strength of Barclays and National Westminster, the UK's two largest banks, has led to a further decline in their credit quality, according to Standard & Poor's, the US credit rating agency. Page 19.

EPA decision sought The German aerospace industry is pressing for a decision on Germany's participation in the four-nation \$36m European Fighter Aircraft project. Page 4.

US inflation feared Wholesale prices in the US rose 0.4 per cent in May, the sharpest rise in the past 18 months, reopening the possibility that inflation will revive and dampen expectations of further cuts in interest rates. Page 6.

MFI publishes prospectus MFI, furniture retailer which in 1987 was the subject of the largest UK management buy-out seen, published the pathfinder prospectus for its planned refloating. Page 19; Lex, Page 18.

Uni Storebrand profits fall Uni Storebrand, Norway's leading private insurance company, suffered a sharp fall in profits in the first four months of the year to Nkr26m (\$4.17m) from Nkr437m for the same period of 1991. Page 20.

Pilkington cuts dividends Pilkington, UK-based glassmaker, slashed its dividend and warned it could see no sign of a recovery in trading conditions. Page 20; Lex, Page 18.

ING profits advance 8.5% Internationale Nederlanden Group, Dutch banking and insurance company, reported a rise in first-quarter net profits of 8.5 per cent to F135m (\$200m). Page 20.

Sotbeby's shares for sale Alfred Taubman, chairman of Sotbeby's Holdings, is to sell 8m of his shares in the auction house. Page 19.

Threat to Bond Corp The financial reconstruction of Bond Corporation Holdings, formerly run by Alan Bond, the jailed Australian entrepreneur, has been threatened by the withdrawal of Australian Consolidated Investments from the management committee overseeing the scheme. Page 21.

Sony breaks Mini Disc silence Sony, Japanese electronics group, is preparing for the launch of its Mini Disc, an 8cm recordable compact disc which it hopes will capture the portable music market, valued at \$10bn. Page 21.

WBC founder dies The Mexican-born founder of the World Boxing Council, Ramon Velazquez, has died in Mexico City, aged 96.

STOCK MARKET INDICES			STERN LIME	
FTSE 100	2,914.1	(-22.0)	New York Composite	1,848.8
Yield	4.59		London	
FTSE Eurotrack 100	1,182.52	(-12.08)	S	1,846 (1,833)
FTSE All-Share	1,258.24	(-0.85)	DM	2,915 (2,382)
Nikkei	17,709.85	(-53.82)	FF	9.22 (8,352)
New York Composite			SP	2.54 (2,562)
Dow Jones Ind Ave	3,334.40	(-33.82)	Y	234 (233.78)
S&P Composite	497.19	(-0.08)	£ Index	92.7 (same)
US LUNCHTIME RATES			DOLLAR	
Federal Funds	3.11%		New York Composite	1,848.8
3-mo Treas Bill Yld	3.72%		DM	2,915
Long Bond	10.1%		FF	9.22
Yield	7.88%		SP	1,832
LONDON MONEY			Y	126.5
3-mo interbank	10%	(same)	London:	
Life long bill future	89 1/2	(Sep 97)	DM	1,578.5 (1,583)
NORTH SEA OIL (Argus)			FF	3.32 (3,562)
Brut 15-day (July)	\$21.25	(20.95)	SF	1,436.5 (1,492)
GOLD			Y	126.7
New York Comex (June)	\$348.5	(337.5)	£ Index	92.4 (92.3)
London	\$338.25	(335)	Tokyo close Y	127.28

Austria	50.50	Hungary	118.2	Malta	100.50	S. Arabia	50.00
Bahrain	100.00	Iceland	100.00	Morocco	100.00	Singapore	50.00
Belgium	100.00	India	100.00	Nigeria	100.00	Sweden	50.00
Cyprus	100.00	Indonesia	100.00	Norway	100.00	Switzerland	50.00
Czech	100.00	Israel	100.00	Oman	100.00	Thailand	50.00
Denmark	100.00	Italy	100.00	Pakistan	100.00	Turkey	100.00
Egypt	100.00	Jordan	100.00	Philippines	100.00	UAE	100.00
Finland	100.00	Korea	100.00	Poland	100.00	Qatar	100.00
France	100.00	Laos	100.00	Portugal	100.00	Russia	100.00
Germany	100.00	Lithuania	100.00	Saudi Arabia	100.00	Sri Lanka	100.00
Greece	100.00	Luxembourg	100.00	Singapore	100.00	Taiwan	100.00

Russians open archives harmful to Gorbachev

By Leyla Boulton in Moscow

THE RUSSIAN government yesterday began publishing a selection of documents intended to discredit the Communist Party and Mr Mikhail Gorbachev, the former Soviet leader.

The country's communist party archives, thrown open in March for the first time in 74 years, are being gradually declassified.

Mr Rudolf Pikhoya, chairman of the State Committee on Archives, says the reading-room catalogues alone are enough to

incriminate the Communist Party because they illustrate the party's extensive control over whole aspects of Soviet life "in violation of the constitution".

Displaying the obsessive attention to detail characteristic of communist archives opened in other parts of the former Soviet bloc, the millions of files (including 28m identity cards of party members) depict a fascinating picture of how the system worked.

Mr Mikhail Poltoranin, the information minister, has

claimed that the documents he is releasing, ahead of a July 7 trial of the party, will show how Mr Gorbachev prolonged the Afghan war by five years, during which he sold 200 tonnes of gold, diamonds and other treasures to buy supplies.

"The materials we will publish will make the world tremble with indignation," Mr Poltoranin said earlier this week. He also promises to produce documents next week showing that the party supported terrorist groups until it was banned last year.

The 30m files in the Central Committee Archives, all marked "secret", "top secret" or "classified", range from the banal to the potentially sensational, from Lenin's Jewish origins to Soviet foreign policy secrets.

They show, among other things, that Dr Armand Hammer, the prominent US businessman and philanthropist with close Russian connections, transported funds from the Soviet Union to help set up the US communist party in the 1920s.

One of a series of recent files

made available to the Financial Times contains, alongside plans to celebrate the 70th anniversary of the Russian Communist Party, a 1988 shopping-list from the Sandinista regime in Nicaragua asking Moscow for 200 cars, thousands of tonnes of steel, hundreds of spare parts and radio and video equipment.

Apart from their historical significance, the archives are playing centre stage in a fierce battle for survival by the Yeltsin

Continued on Page 18

German government at odds with Länder on constitution

Maastricht ratification deadlocked

By Quentin Peel in Bonn

THE GERMAN government and the country's 16 federal states have reached virtual deadlock in their negotiations to change the German constitution to clear the way for ratification of the Maastricht treaty on European union.

Germany, prime mover behind the drive for European political union and a single currency, now faces uncertainty and long delays in its own ratification process, leading participants in the negotiations said yesterday.

At the heart of the dispute is a disagreement about the federal nature of the republic and control over its foreign policy.

At stake is how far the states will be given an effective veto of any future transfer of sovereignty to European Community institutions, and how far they will be given co-decision-making rights with the Bonn government on EC legislation.

Senior German officials accuse the states of seeking to turn the country into a loose confederation; a charge rejected yesterday as "absurd and unhelpful".

The demands of the 16 Länder have alarmed EC member-states, which fear that a new level of prevarication and complication may be created for EC decision-making. The demands are also being resisted by the German Foreign Office and the country's foreign policy establishment.

The fears are that no agreement will be reached in the negotiations before the summer break; that the entire treaty ratification process will be delayed; and that this would give further opportunities for the anti-Maastricht lobby to exploit increasingly sceptical public opinion.

The main popular concern about the treaty is the prospect of losing the Deutsche Mark in favour of a single European currency. On that issue, the states

are demanding that the steps to economic and monetary union (Emu) should not be automatic.

Mr Theo Waigel, the finance minister, yesterday underlined the sensitivity of the currency question by denouncing criticism by more than 80 economists professors. He insisted that Germany would not agree to any watering down of the economic convergence criteria, such as control over inflation and deficit spending, before taking the final steps to Emu.

The professors published a public declaration yesterday, warning that the process to Emu was too fast, too open to political manipulation, and unnecessary economically for the existence of a single European market.

The prime concern of the Länder, however, is the constitutional issue of curbing the powers of Bonn.

The next possibility for an agreement will be the June 25 meeting of the constitutional committee formed by both the two houses of the German parliament, ie the Bundestag and Bundesrat.

A working group bringing together the federal and representatives of the states has abandoned efforts to bridge the gap. The main problem is that the government side cannot agree on a common line, because the Foreign Office, backed by the Chancellor's Office, is opposed to any dilution of control over EC policy-making.

Mr Florian Gerster, European affairs minister for the state of Rhineland Palatinate, said yesterday that the 16 states were in close agreement on their strategy.



Ross Perot, seated next to his image on a monitor screen, during his appearance on a TV show

Perot faces moment of truth at hands of talk show caller

By Jurek Martin in Washington

MOMENTS OF political truth do not often happen on sunny Thursday mornings in June, but there is no reason why they should not. One may have happened to Mr Ross Perot just after eight east coast time yesterday.

The prospective independent candidate for the White House had breezed through the first hour on Today, NBC TV's breakfast time show, taking calls from the public and some questions from Katie Couric, the presenter.

He had happily agreed to blast away for an extra hour, intent on upsetting the establishment apple cart.

Then an obviously elderly woman asked a seemingly innocuous question: Mr Perot did not really want to take away social security benefits from retired people with incomes of more than \$20,000 a year, did he?

The Perot response was, to put it mildly, involved. It began with an accusation that the Bush administration was maligning him, it digressed into a discussion he had had four years ago with "a prominent national economist" about 1988 figures which now needed updated computerised number crunching. It wandered into the fact that he was wealthy enough himself not to need social security, it invoked the spirit of hope in the musical Annie, and it said old people were always making sacrifices for the young.

At the end of which, the little old lady, asked by an apparently bemused Ms Couric if she was satisfied, bravely said: "I don't think he really answered the question."

This set Mr Perot off again on the same tack. "If people say I've

got mine and the heck with you' then we're all sunk." But his eyes had narrowed and he did not look pleased that someone who was not a professional journalist had dared to demand from what he had himself proclaimed to be the self-evident truth.

Talk-and-celebrity show appearances are now de rigueur for political candidates. Governor Bill Clinton of Arkansas is doing it all the time and this week the White House confirmed that President George Bush had agreed to appear on two such programmes.

Continued on Page 18

Brussels' commissioner says decentralise some EC power

By David Buchan in Brussels

THE EUROPEAN Commission should propose handing certain centralised powers back to European Community member-states to demonstrate that the commission is not "a body wanting power for its own sake", Sir Leon Brittan, commissioner for competition, said yesterday.

Trying to stem the tide against the Maastricht treaty, Sir Leon suggested that he and his fellow members on the EC executive should ask the Council of Ministers to repeal legislation "where it has gone too far or has achieved its original purpose and is no longer needed."

Last week's Danish referendum rejecting the treaty has led to growing scepticism about European union and highlighted particularly the question of how much power should be vested in community institutions.

However, Sir Leon, who was speaking in Florence, had only two pieces of legislation to propose for possible repeal. He suggested that EC norms on drinking water had served their purpose by "raising consciousness and acting as a catalyst" and could now be handed over to national parliaments to supervise and maybe amend. He also questioned whether the common EC passports were necessary.

The speech was the first time a commissioner has gone beyond urging legislative self-restraint on Brussels to propose a repeal of redundant EC laws and rules.

The speech also shows the increasing feeling in Brussels, as well as in Britain, which takes over the Council of Ministers' presidency next month, that the only way to save the Maastricht treaty may be by emphasising "subsidiarity", or states' rights.

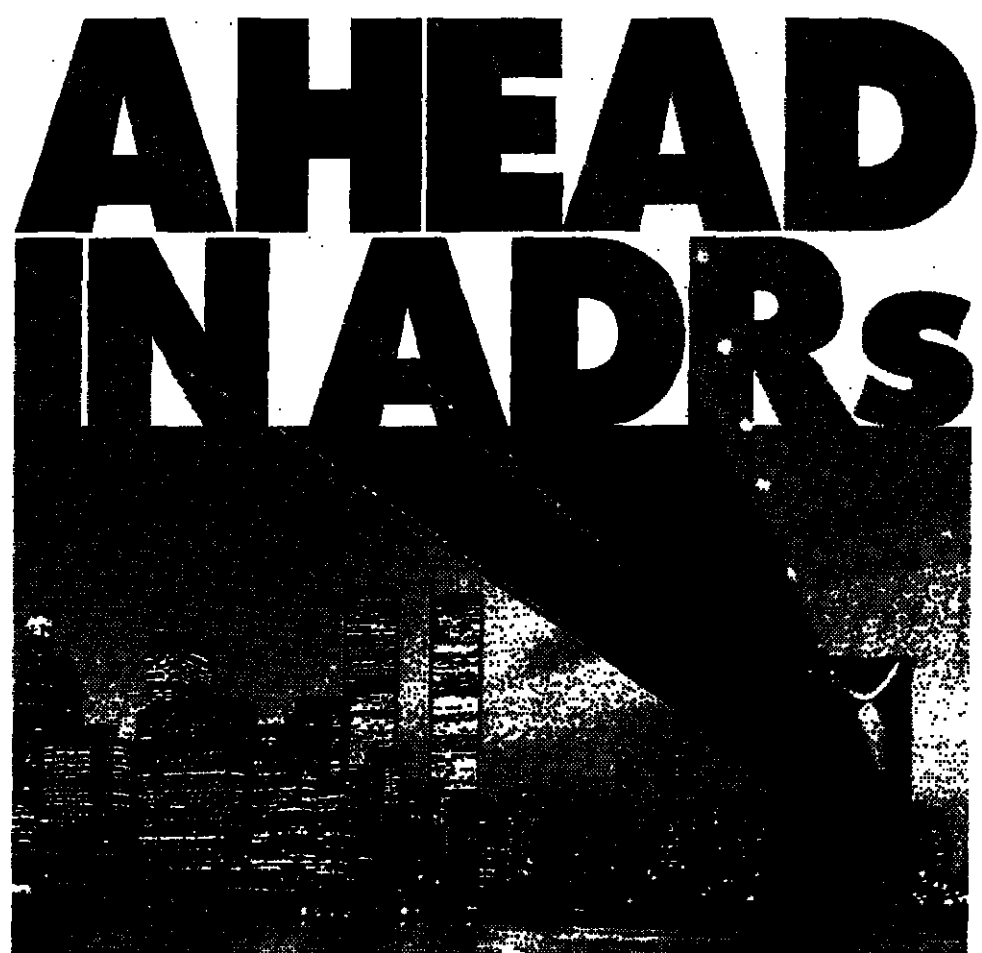
In the run-up to the fateful Danish referendum, Mr Jacques Delors, Commission president, had been casting around in the environmental field for a way of showing his belief in subsidiarity. But he failed to come up with a solid proposal - like Sir Leon's (which does not have the formal backing of the full Commission) - in time to influence Danish opinion.

Sir Leon said he was responding to the widespread feeling that the community was a one-way street, funneling power towards the centre.

He maintained that the Maastricht treaty contained had an adequate subsidiarity clause which urged action or legislation at the lowest effective level of government and which could, over time, be enforced in national courts.

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THE STOCK MARKET FOR THE NEXT 100 YEARS

NEWS: EUROPE

UK urges EC to avoid crisis in frontier checks

By Andrew Hill in Lisbon

MR Kenneth Clarke, the British home secretary, yesterday urged his EC counterparts not to make a crisis out of the UK's refusal to remove frontier checks on EC citizens.

The European Commission last month levelled the threat of legal action at Britain and any other EC member which did not abolish all controls by January 1.

But Mr Clarke told fellow interior ministers at a two-day meeting in Lisbon they should not elevate the border controls issue into a "legal battle" - especially at a time when the Danish vote against Maastricht had raised much larger problems for the Community.

"I don't believe you can create the European Community on the basis of legalisms," he said after yesterday's session on immigration.

Britain is alone in actively wanting to retain controls,

arguing that they are essential if non-EC travellers are to be properly monitored. Other countries such as Denmark and Ireland also have difficulties because of existing passport unions with the Nordic states and the UK.

After talking yesterday to Mr Martin Bangemann, the EC's internal market commissioner, Mr Clarke said he thought the issue would be resolved through political discussions during the British presidency which begins next month.

However, he did not say how a compromise might be reached, and reiterated that Britain did not see January 1 as a firm deadline for lifting controls.

"We don't think we are under any obligation about lifting border controls, but we are quite happy to minimise inconvenience for EC travellers," he said. "We are not going to compromise our system of immigration controls."

Only Greece, Portugal and Luxembourg seem to back the Commission's legal approach wholeheartedly. Most other countries recognise there are practical difficulties in applying the Brussels headline interpretation of the 1986 Single European Act, which defines the internal market as "an area without internal frontiers".

Portugal - which holds the EC presidency - was yesterday trying to persuade Spain to sign a convention strengthening the Community's external frontier.

The Spanish have been blocking the convention for more than a year because of the continuing dispute with the UK over how Gibraltar should be treated.

National officials said yesterday that although the convention was interior ministers' responsibility, the problem was more likely to be resolved at the level of foreign ministers.

French Senate backs treaty

French Senate backs treaty

By Ian Davidson in Paris

PROSPECTS for French ratification of the Maastricht treaty strengthened sharply yesterday when a Gaullist attempt to reject it outright was defeated in the Senate by a comfortable margin.

All 91 Gaullist senators, as well as all 16 Communist senators, voted to throw out the Maastricht treaty without further debate, but their motion was defeated by 196 votes to 120. Detailed voting on the necessary revision of the French constitution will now resume in the Senate next Tuesday.

The Senate vote is particularly encouraging for the government, because it indicates that there is still a clear parliamentary majority in favour of the Maastricht treaty, despite the destabilising effects of the No vote in the recent Danish referendum.

Following last month's vote in the National Assembly, yesterday's preliminary vote in the Senate indicates that the government can probably count on the various majorities it requires for revising the French constitution.

Before ratification proper, which is scheduled to take place in the autumn in a popular referendum, the National Assembly and the Senate are both required to revise the Constitution, first in separate votes and then in a joint sitting of the two houses of parliament.

The joint sitting of the two houses, in a so-called Congress, requires a three-fifths majority for final revision of the constitution. Yesterday's Senate vote of 196 in favour of Maastricht, coupled with last month's National Assembly vote of 388 in favour, give a combined total which is comfortably over the required three-fifths threshold.

At the same time, the Senate vote shows that the Maastricht debate is continuing to deepen the split between the Gaullists and their normal allies



A half-finished shopping centre on Friedrichstrasse, east Berlin, has been shunned by investors and will be demolished

Bishops say Maastricht is for life

Tim Coone on the Catholic church's view of Ireland's referendum

IRELAND'S Catholic church this week fired the first barrage from its moral artillery in the country's referendum on the European Community's Maastricht treaty to be held next Thursday.

It brushed aside the economic and political issues of the proposed accord on closer economic and political union and home straight in on abortion.

A million copies of a four-page statement by the Catholic Bishop's Conference, entitled 'The Maastricht Referendum and Some of Its Implications', said: "The substantive and fundamental issue is the right to life of the unborn child."

"We are firmly of the view that the opportunity must be given to the Irish people to restore the constitutional guarantee of the right to life of the child in the womb. It is our view that the only effective way of doing this is by a new pro-life amendment [to the Irish Constitution]. If the Maastricht Treaty is approved however, there must be a degree of uncertainty concerning the effectiveness of such an amendment," say the bishops.

Their reasoning is that despite the 1983 right-to-life constitutional amendment, which was designed to make watertight Ireland's ban on abortion, the recent supreme court ruling concerning a 14-year-old rape victim, which permitted her to travel to the UK for an abortion, also established that abortion was legally permissible in Ireland

under certain circumstances. Ten years of crusading by the Church and the anti-abortion lobby were thus undone by that ruling and has thrust abortion to the forefront of the Maastricht debate.

The Bishops' statement says rejection of the treaty would also leave the abortion issue unresolved and that voters are therefore faced with a dilemma. They themselves must decide which result will

give greater guarantees of protection for the unborn. The Yes camp immediately interpreted this as meaning that the abortion issue was thereby effectively sidelined in the debate. The anti-abortion lobby says the bishops' arguments justify a No vote.

In effect the church hierarchy has opted not to position itself publicly on the treaty but has provided the ammunition for the moral shock troops of organisations such as the Pro-Life Campaign, the Society for the Protection of the Unborn Child and the Youth Defence organisation to campaign for a "No" vote. All three are identified in the public's eye with the Catholic Church.

Individual priests around the country have also been advising their congregations to vote against the treaty. According to a church spokesman: "Priests are citizens as everyone else and as such are entitled to their opinions, but in the main will be expected to remain within the limits of the Bishops' statement."

Mr Bertie Ahern, the Irish finance minister, has singled out his British counterpart, Mr Norman Lamont, for criticism over the disagreement that surfaced this week between EC finance ministers on the Delors II budget package, writes Tim Coone.

In an interview yesterday he said: "I understand the arguments of those countries that want to see greater transparency in the use of EC funds, and Germany's problems over the reunification process. But I have less sympathy and understanding for Britain's position in opposing the increases in the EC budget.... I don't think Mr Lamont believes in the idea, accepted by everybody else, that a wealthier community and an expansion of trade will be more readily achieved by a redistribution of resources between member states."

The Irish government's campaign to secure a Yes vote in the referendum has suffered a big setback as a result of the EC finance ministers rejecting the Delors package, which provides for increased funds for Ireland.

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Subsidiarity the 'in word' after Denmark's No-vote

Europe dances to a new tune

By David Gardner in Brussels

FOLLOWING Denmark's spurner in the Maastricht Treaty's works, there is no doubt that the Euro-mood of the month is "subsidiarity," and that European Commission and national officials are vying to see who can sing the best descent. But not everybody gets the tune right.

Subsidiarity means the Community should keep out of decisions better taken at a national or regional level. So magic a word is it that the incoming UK presidency of the EC suggests spelling out what it means in a bid to help resolve the treaty crisis.

In Strasbourg on Wednesday, Commission president Jacques Delors planned his colours to the subsidiarity issue. No Commissioner official will discuss cod quotas or capital adequacy without detailed exegesis of this purported recipe for

reconciling European people with European Union.

In Luxembourg on Tuesday, for instance, the immediate meeting of EC fisheries ministers jerked into life, when they were told they had agreed that "in general" member states would be responsible for ensuring their fishermen did not cheat on quotas. "In general" is out; the Vikings are raising weasel words from the Euro-record.

Yesterday, transport commissioner Karel Van Miert announced new plans to integrate Europe's transport systems, a key component of Maastricht.

His presentation was, with ostentatious genuineness to subsidiarity, part of the now daily spectacle of Brussels pulling in its horns.

"What I do want to say is that no decision has been taken to carry out this work," he said.

"That is up to the national authorities. What we are supplying is the framework. Or if you want to go ahead with the framework, would you please take into account this framework, which will be of benefit to the whole Community."

It was all going well, saying please and all, until one ecologically-correct questioner asked whether sponsoring motorways wasn't a slap in the face to the Rio Earth Summit.

Mr Van Miert patiently explained that the poorer, "cohesion" countries - the southern states and Ireland - could not reasonably be denied their wish for German-style motorways.

"It would be unfair to cohesion countries like Denmark," the commissioner went on. "Sorry, sorry," he stammered to tumultuous laughter; "a slip of the tongue."

NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT

The Director General of Electricity Supply (hereafter referred to as "the Director"), pursuant to section 11(2) of the Electricity Act 1989 (c.29) (hereafter referred to as "the Act") hereby gives notice as follows:-

- He proposes to make a modification by inserting a new Condition 8A into the licences which have been granted under section 8(1)(a) of the Act to National Power plc, PowerGen plc and Nuclear Electric plc to the effect set out in the Schedule hereto.
- The reasons why he proposes to make the modifications are in fulfilment of the proposals made by the Director in his Pool Price Inquiry Report regarding:-
 - the provision of information to interested parties relating to availability of generation together with more detailed information to the Director; and
 - notification to the Director in respect of any proposal for mothballing or permanent closure of a power station and (in respect only of National Power plc and PowerGen plc) a statement of reasons for the decision upon which the

Director may receive an independent report.

- Any representations or objections to the proposed modifications may be made on or before 10 July 1992 to the Director at the Office of Electricity Regulation, Hagley House, Hagley Road, Birmingham B16 8OC.

(signed)
Dr E C Marshall
duly authorised on behalf of the Director General of Electricity Supply 11 June 1992



OFFICE OF ELECTRICITY REGULATION

Schedule	Proposed Modifications
1. After Condition 8 of the licence which has been granted to National Power plc and PowerGen plc under section 8(1)(a) of the Act insert the following additional Condition:-	8. If it is necessary to close down a Power Station the reasons for the decision referred to in the report:-
1A. GENERATING UNIT AVAILABILITY	(a) If in respect of a generating unit of a Power Station the reasons for the decision referred to in the report are:-
1. The purpose of the Condition is:-	(i) to enable the Director to keep under review the availability of the generating unit to generate electricity for the purposes of the licence;
2. To enable the Director to keep under review the availability of the generating unit to generate electricity for the purposes of the licence, the licensee shall:-	(ii) to enable the Director to keep under review the availability of the generating unit to generate electricity for the purposes of the licence, the licensee shall:-
(a) estimate the loss of availability through unplanned outages, planned outages, or outages due to maintenance or other reasons, and	(i) estimate the loss of availability through unplanned outages, planned outages, or outages due to maintenance or other reasons, and
(b) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(ii) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
2. The licensee shall submit to the Director a statement, for approval as to form by the Director, specifying in reasonable detail the reasons upon which the licensee will:-	(a) estimate the loss of availability through unplanned outages, planned outages, or outages due to maintenance or other reasons, and
(a) estimate the loss of availability through unplanned outages, planned outages, or outages due to maintenance or other reasons, and	(ii) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
(b) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(iii) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
(c) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(iv) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
(d) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(v) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
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(h) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(ix) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
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(j) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.	(xi) to enable information to be provided to the Director, such as to be made available to persons interested in the operation of the electricity system.
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Workers of the world unite with managers

John Lloyd analyses the post-Soviet industrial order

THE FIRST visible sign of economic change in Russia has been the addition to the cabinet in the past two weeks of three figures all drawn from the Soviet industrial past. None comes with the label of rank conservative tied round his neck.

However, they are all from "industry": and the economic radicals around Mr Yegor Gaidar - until this month the sole first deputy prime minister - have in the first part of this year seen the industrial lobby as precisely the force they must break. Now, far from being broken, that force is in the cabinet.

One, Mr Vladimir Shumelko, a former plant manager and deputy chairman of parliament, has been put into the cabinet as a first deputy prime minister, equal in status to Mr Gaidar; another, Mr Georgy Khizha, a former St Petersburg defence plant manager and city adviser, is now a deputy premier; the third, Mr Victor Chernomyrdin is now head of the vital energy sector - and was the Soviet gas minister.

Mr Shumelko is an open-professed supporter of reform, and Mr Khizha worked with Mr Anatoly Chubais, the privatisation minister, on privatisation in St Petersburg. The three ministers' presence there is proof of industry's success in counter-attacking against the charges Mr Gaidar led against them. At first demoralised by the effects of the price rises, the curbing of credit and raising of interest rates, industry has since March used its economic and political strength to increasingly good effect.

It has in Mr Arkady Volzky, the chairman of the Russian Union of Industrialists and Entrepreneurs, the most adroit political survivor in Russia - a man who, starting from a base as communist party secretary in Moscow's Likhachev car plant, was able to turn himself from an adviser under Andropov to a senior counsellor under Gorbachev, and most recently to a post-Soviet industrial hero.

Mr Volzky has for the past three months steadily opposed the market liberalism of the Gaidar government (while all the time performing his continued attachment to reform in general) - claiming in an interview with the trade union newspaper Rabochaya Tribuna on March 31 that production was on the verge of unstoppable decline and hinting that - were policies not to change - workers and managers together could paralyse the country with industrial action. In the last two weeks, Mr Volzky and his colleagues have

formed a new political party, called "Renewal" dedicated to the support of a strong state and a viable industry - a further fragmentation of the political scene, but likely to be the powerful fragment.

A union between managers and workers against the government well expresses the realities of the post-Soviet industrial order. There is as yet no real differentiation of interest: at the top, Mr Volzky can and does team up with the trade union leadership to make vague but real threats at plant level, managers see themselves as slightly better paid members of the work collective, with no experience of firing workers and no desire to do so. The reaction of the managers to macroeconomic reform has not been to adapt at the micro level by raising efficiency, cutting prices and staff. On the contrary, encouraged by Mr Volzky and other influential leaders, it is to blame the government for the nature of the reform, and to do nothing.

For these people, production has been and remains everything: they make little distinction between tanks and pocket calculators. Yet, as Professor Jeffrey Sachs, the government's main economic adviser, said on Monday: "This remains the great fallacy of socialist thinking: the idea that sheer material output is all that counts. The services which make up 50 per cent of the advanced countries' economies don't even get a mention."

Mr Gaidar and his team are on Professor Sachs' side of the argument: indeed, Mr Gaidar told *Investia* last week that he would not save bankrupt enterprises from deserved oblivion. But even before he welcomed his new colleagues to the cabinet table, he had been forced to make concessions.

■ An extra Rb200bn has been promised to industry, and Rb120bn to the oil sector.

■ Energy prices will not be freed for some time, perhaps not this year.

■ Taxes are set to be lowered in the latter half of the year.

■ Money printing is being speeded up to meet the demand - backed by threats of industrial action - from workers to be paid.

■ Privatisation has suffered long delays, most recently at the hands of deputies who refuse to pass laws allowing privatisation and bankruptcies. There is an argument, now being hopefully rehearsed by the international financial community in Moscow, which puts an optimistic gloss on all of this. It holds that the new

ministers will soon see the unreality of their early calls for tax cuts and extra credits: that Mr Gaidar remains the boss under a still-committed president; and that Mr Georgy Matukhin, the central bank chairman whose resignation was rejected by parliament last week, has by being confirmed in office strengthened the bank's position on high interest rates and tight credit.

Against this, there is the view that holds that the salient opened up in the cabinet by the industrialists have blunted the reform edge and that now, the best that can be hoped for is a series of half measures.

No-one, not the most dedicated expert, has been able to discover what the budget deficit is: they do not even know if the government knows. Thus, says one: "It could be any figure between nought and 20 per cent of GNP." Most Russians are convinced of the pessimistic option: the foreign experts here, looking for the silver in the lining, try to believe the first. Neither can know - for the main players themselves are locked in a struggle whose outcome is of the first importance, but is unforeseeable.



War casualty: the body of a woman lying in a street in the centre of Sarajevo yesterday as a car speeds past to avoid sniper fire

Serbs allow UN convoy into Sarajevo

By Judy Dempsey in Belgrade

SERBIAN irregulars yesterday finally allowed a United Nations convoy to enter the besieged Bosnian capital of Sarajevo in a move which could lead to talks on the reopening of the airport and a resumption of food supplies to the starving inhabitants.

The convoy left Belgrade,

the Serbian capital, on Wednesday morning. But that night it was forced to take refuge in a barracks on the outskirts of the city after Serb forces prevented UN officials based in Sarajevo from escorting it into the centre.

"Now that it [the convoy] has arrived, we have to try to demilitarise the region around the airport which is held by

Serb irregulars," a senior UN official said yesterday. He added that it would be "extremely difficult" to achieve this.

UN officials said there was a lull in the fighting around most of the city. "But it can flare up at any time. We just have to keep talking and keep negotiating so as to feed the starving people of Sarajevo," a

UN official said. The arrival of the convoy coincided with fighting in Mostar, the capital of Herzegovina, western Bosnia, where forces from Croatia yesterday forced out Serb irregulars.

Zagreb and Belgrade radio reports confirmed that Croatian forces were consolidating their grip on this swathe of territory.

Bush wary on Bosnia task force

By Jurek Martin in Washington

PRESIDENT George Bush, saying that "we're not the world's policeman", yesterday sought to discourage speculation that the US was actively planning military intervention in Yugoslavia.

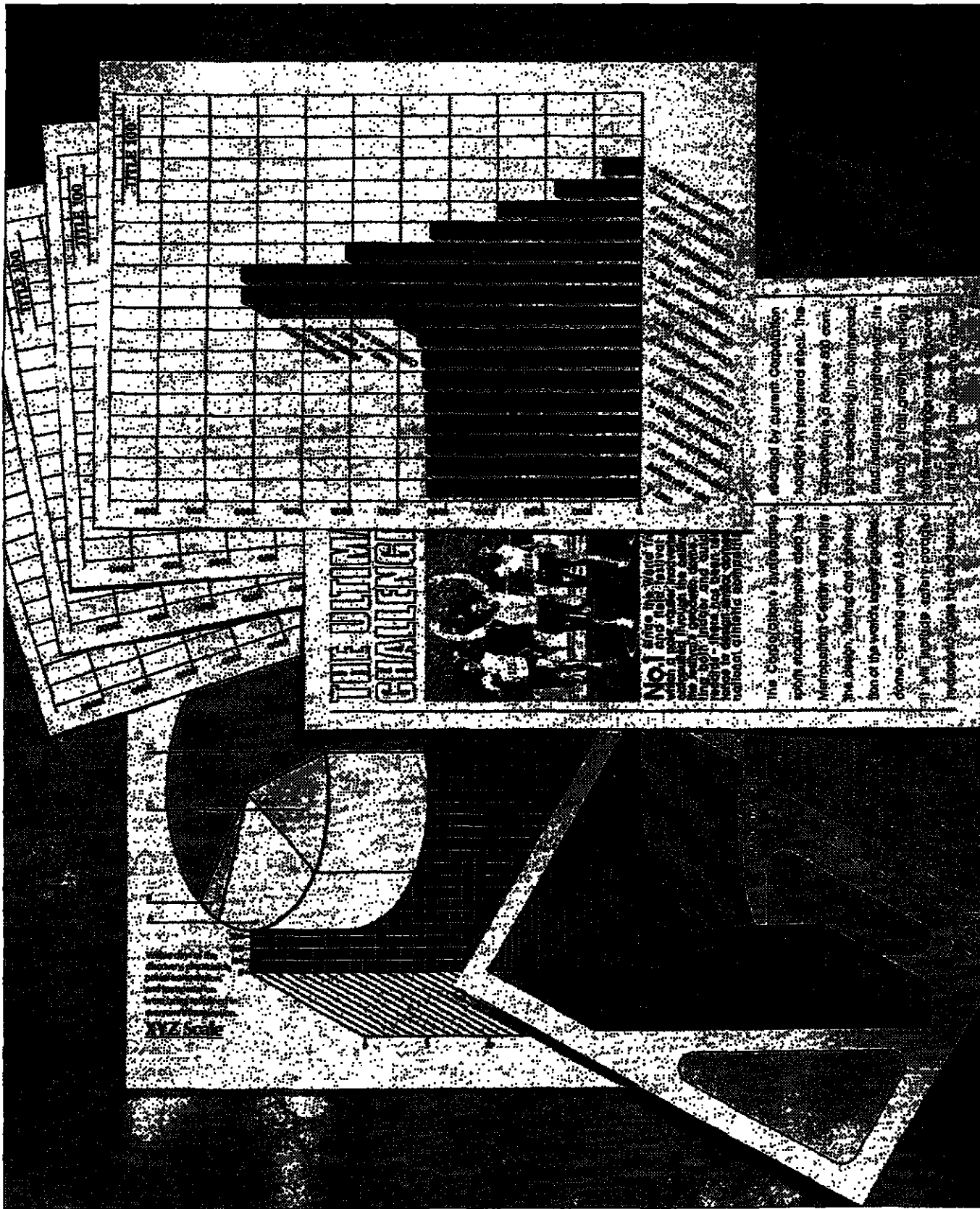
In impromptu remarks before leaving for the Rio earth summit, Mr Bush said: "We will do what we should do, but I'm not going into the fact of using US troops."

Expressing concern about the situation in Yugoslavia, he promised "to safeguard human life" and to work closely with the UN.

Yesterday the Washington Post had reported that the administration was now reluctantly considering options whereby American troops could be used to assist in humanitarian operations.

There has been some groundswell of support in Congress for action to stop the slaughter. Senator Richard Lugar, the Indiana Republican, warned on Wednesday that the time had come to "draw the line" with respect to Serbia's territorial ambitions. If necessary through co-ordinated military action by the UN and/or Nato.

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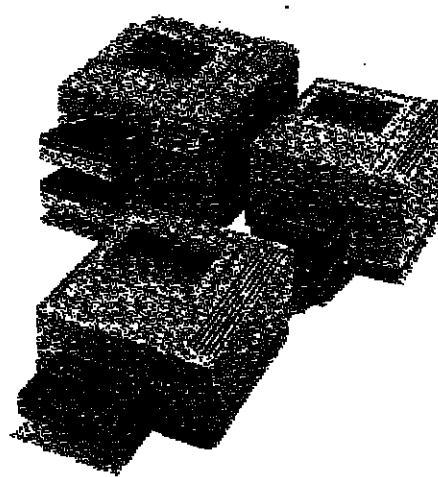
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UNIDO INVESTMENT AND BUSINESS OPPORTUNITIES IN CHINA NORTHWEST INVESTMENT AND BUSINESS FORUM XI'AN, SHAANXI PROVINCE, CHINA 14-20 SEPTEMBER 1992

Businessmen from all countries are invited to participate in the first international investment and business forum organized by three provinces (Shaanxi, Gansu and Qinghai), two autonomous regions (Xinjiang Uygur and Ningxia Hui), and other Chinese entities in the Northwest of China where the investment environment has greatly improved during recent years. The region is rich in natural resources especially non-ferrous metals and chemicals, and has rich deposits of petroleum, coal and natural gas which have excellent prospects for exploitation. In the development of agriculture, agro industry, equipment manufacturing, energy, power, telecommunications, etc. This part of China has a solid engineering and technical base, and a manufacturing sector particularly strong in cotton and wool textiles, electronic and electrical machinery, aerospace, pharmaceuticals, oil and petrochemical products, and non-ferrous metallurgy. The region has a population of over 80 million and covers about 1/3 of the total area of the PRC of China. In comparison with the coastal areas of China, the cost of labour and land is significantly less, and raw materials such as cotton, wool, oil crops, petroleum, natural products and minerals are more readily available at lower cost. It is a major future growth region of China.

The forum will give businessmen the opportunity to meet with Chinese counterparts, enterprises as well as government officials, and to discuss specific investment opportunities which will be open to those businessmen who express interest in participating in the forum. These opportunities include projects for economic and technological co-operation, imports of technology and equipment as well as joint-ventures. Chinese counterparts also welcome proposals for trade and/or investment projects from their foreign counterparts. During the forum in Xi'an there will be opportunities for visits to industrial enterprises, including potential partners operations in other localities and provinces.

Businessmen interested in participating in the forum should notify UNIDO as soon as possible so that they can receive more detailed information on the forum, travel arrangements, and on the investment opportunities. This notification will not be considered a commitment to attend the forum, however, the last date for confirmation of participation is 15 August 1992. This notification applies to the media and independent of China's cultural heritage. The world famous "Terracotta Warriors and Horses" are located in Xi'an. There will be opportunities before or after the forum for special tourist packages arranged by various Chinese tourist organizations.

The forum is organized with the technical assistance of the United Nations Industrial Development Organisation (UNIDO) and is co-sponsored by the United Nations Development Programme (UNDP) and UNIDO.

Contact: Director, Industrial Investment Division, UNIDO, P.O. Box 300, A-5400 Vienna, Austria (Europe). Tel: 43-1-2131481/4812. Telex: 135612. Fax: 43-1-2356268.

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NEWS: INTERNATIONAL

Japan's May trade surplus up 89% on previous year

By Robert Thomson in Tokyo

JAPAN'S trade surplus continued to surge in May, rising 89 per cent from a year earlier to \$7.9bn (£4.3bn), and including the largest year-on-year growth in the politically-sensitive US surplus since 1986.

The announcement of the surplus, which rose in seasonally adjusted terms from \$5.9bn in April to \$6.7bn in May, follows hard on the release of a controversial report condemning the US and European Community for their unfair trade policies.

Japanese government officials indicated yesterday that they expect the rise in the surplus to prompt renewed demands from other leading industrialised nations for a commitment to stimulate the domestic economy.

A slowing of domestic demand and a sharp 13.3 per cent fall in imports to \$17.5bn and a 4.1 per cent rise in exports to \$25.5bn. The 51 per cent increase on the year-earlier sur-

plus was the largest since March 1986. The decline in imports reflected weaker industrial demand for raw materials and a slowing of consumer purchases of luxury goods.

Exports to the US rose 3.3 per cent to \$7bn and imports from there were down 16 per cent at \$4.1bn, with the largest falls in imports of raw materials, chemicals, metals and semiconductor equipment.

The country's trade with China continues to expand rapidly, with exports up 21.8 per cent and imports from China 12.6 per cent higher.

The finance ministry, which has consistently blamed the surging surplus on "special factors", conceded yesterday that the slowing of the domestic economy had blunted demand for imports, while external demand for Japanese goods remained strong.

For example, car exports were 10.4 per cent higher, car components, most destined for Japanese-run plants, were up 10.3 per cent, semiconductor

equipment showed a 10.7 per cent rise, in sharp contrast to the 18.4 per cent fall in imports in semiconductor parts.

Stefan Wagstyl adds: A controversial bill to allow Japanese troops to serve on United Nations peace-keeping missions yesterday completed another stage of its turbulent passage through the Diet.

Amid protests from opposition parties, it was approved by a committee of the Diet's lower house and referred to a full session of the chamber which will be held today. The ruling Liberal Democratic Party hopes to take a vote as early as today but the opposition social democratic and communist parties have pledged to delay proceedings through filibustering.

Japan's prime minister, Mr Kiichi Miyazawa (right), gives a pat to an MP of his ruling Liberal Democratic Party after the Peace-Keeping Operations Bill passed the Lower House special committee last night



Israel eases forex and investment restrictions

By Hugh Carnegie in Jerusalem

ISRAEL yesterday eased restrictions on citizens holding foreign exchange accounts and investing in futures and foreign securities, the latest move in a gradual relaxation of exchange and capital market controls designed to generate growth and investment.

The announcement by the Bank of Israel came two days after the US ambassador in Israel issued a strong appeal to Israeli leaders contesting the June 23 election to formulate urgent reforms of the government-dominated economy to jolt it out of stagnation.

The Bank of Israel itself has been urging more rapid liberalisation. But the ruling Likud party and opposition Labour leaders have offered few policy proposals despite evidence that the economy is stalling under the burden of mass immigration from the former Soviet Union. Unemployment last month reached a record 11.5 per cent.

The Bank of Israel said that from July 1, individuals could for the first time hold unlimited foreign currency accounts (although restrictions on buying foreign currency with shekels will remain) and buy foreign securities (although corporations will still be forbidden to). Individuals and companies could invest in futures.

S African minister criticises ANC

Mr Derek Keys, the South African minister of finance and trade and industry, has strongly criticised African National Congress plans for mass action, saying they show the ANC is not yet ready to govern. Philip Gawth reports from Johannesburg.

Mr Keys's comments, delivered at the end of his budget debate in parliament, contrast sharply with his assessment last week of ANC long-term economic policy as pragmatic and the basis for agreement.

Business welcomes new Thai premier

By Victor Mallet in Bangkok

THAILAND'S business community and foreign investors yesterday welcomed the surprise reappointment of Mr Anand Panyarachun, a businessman and former diplomat, as interim prime minister, but warned that the military were not yet a spent force in Thai politics.

After weeks of gloom and uncertainty, the stock market rose 7.3 per cent on the news, with the SET index rising 65 points to close at 737.22. Volume was an exceptionally high Baht 11.56bn (£248m).

"The Anand move will certainly buy time," said a foreign executive of one multinational company.

Mr Olarn Chaipravat, senior executive vice-president of Siam Commercial Bank, said he was "extremely delighted. Now the country's economy will survive".

Mr Anand, who ran the country between the coup d'état in February 1991 and elections in March is expected to appoint a cabinet of technocrats and use his four months in office before new elections to push through much-needed infrastructure projects to relieve congestion in Thailand's transport and communications networks.

General Suchinda Kraprayoon, the previous prime minister, was forced to resign nearly three weeks ago after troops had killed dozens of pro-democracy demonstrators, and the military establishment was further humiliated when the latest candidate for the job, Air Chief Marshal Somborn Rahong, was passed over in favour of Mr Anand at the last minute on Wednesday as he was preparing to celebrate his elevation to the premiership.

Few Thais believe that the armed forces would dare to intervene before the new elections because Mr Anand's appointment was seen to be supported by King Bhumipol Adulyadej, the influential constitutional monarch.

Iranian mullahs see first rumblings of discontent

The country's citizens are still searching for the economic fruits of the revolution, writes Tony Walker

TRAVELLING west of Tehran on a featureless plain towards the Holy City of Qom one's eye is caught by a huge gold-domed structure. On the roadside, as you draw closer, battered signs extol the virtues of Iran's revolution and the privilege of martyrdom.

"We shall stand firm until the last breath and last drop of blood, until we erect the world of Allah," reads one, among several, blood-drenched sayings of Ayatollah Khomeini on display outside a large concrete and metal structure like an aircraft hanger.

This is the shrine of Iran's late spiritual leader. With kebabs shops near its entrance, it is a place so tawdry and aspirational that it is hard to accept that it commemorates one of the more significant figures of the late 20th century. A young man who had come to pay his respects had a point when he muttered: "The old man deserved better than this." On this, the third anni-

Iran has executed four people and condemned five more to death for rioting in a southern city of Shiraz in a fierce crackdown on opponents of the Islamic Republic, according to Irna, the Iranian news agency, Reuters reports.

versary of Khomeini's death, Iran stands uncertainly on the threshold of a new era under the rule of President Hashemi Rafsanjani, known as a liberaliser and risk-taker; but the new order seems fragile and so, too, does a Tehran spring in which political constraints have been loosened.

Four-days of rioting last month in the holy city of Mashhad in the north-east were a sign of serious disaffection, and followed disturbances in other centres such as Shiraz, Arak and Tabriz. Not surprisingly, the troubles have drawn calls for a tightening up.

In Mashhad rioters burned down the city hall, the main library and assaulted revolu-

tionary guards, the foot soldiers of the revolution, killing nine. Ostensibly, the riots followed attempts to clear away shanty settlements that have grown up around Iranian cities since the revolution, but it seems there were deeper causes.

While the authorities, predictably, blamed "foreigners, enemy agents and opponents of the Islamic revolution," and also hinted that hardliners routed by supporters of Mr Rafsanjani in recent parliamentary elections had been stirring up trouble, the disturbances were probably due more to deep-seated anger over economic deprivation.

Judging by attitudes in the narrow streets of South Tehran, home to small traders and the less well-off, the regime's popularity could hardly be lower. Asked to comment on the fruits of the revolution, a shopkeeper named Ali said it had "brought nothing but corruption, the destruction of morale especially among the young and widespread drug-taking."

"During the Shah's time," he went on, drawing on a hub-bubble pipe in a small back-lane coffee house, "police-men did provide a minimum of security. Corruption did stop at a certain level. Now policemen come into my shop and take goods on credit, but they never pay me. I have no reason to be optimistic," he added.

No conversation with an Iranian these days strays far from economic concerns. The poor are becoming poorer, and the middle class, with the exception of the privileged few, is being squeezed by soaring prices. Salaries are barely sufficient to "put bread on the

table," as one longstanding acquaintance put it, and few can survive without working two or even three jobs.

In his modern office, an elegantly-dressed Iranian businessman, speaking almost perfectly accented English, noted down figures on a scratch pad which showed, he said, Iran's truly desperate straits.

Earnings this year from oil, which accounts for about 90 per cent of exports, will amount to about \$12bn (£6.5bn) against estimated requirements of about \$30bn to keep Iran ticking over, let alone taking care of the huge costs of reconstruction following the war with Iraq.

When the Shah left, Iran's population was 34m. Now it has nearly doubled. Financing needs then were about \$20bn.

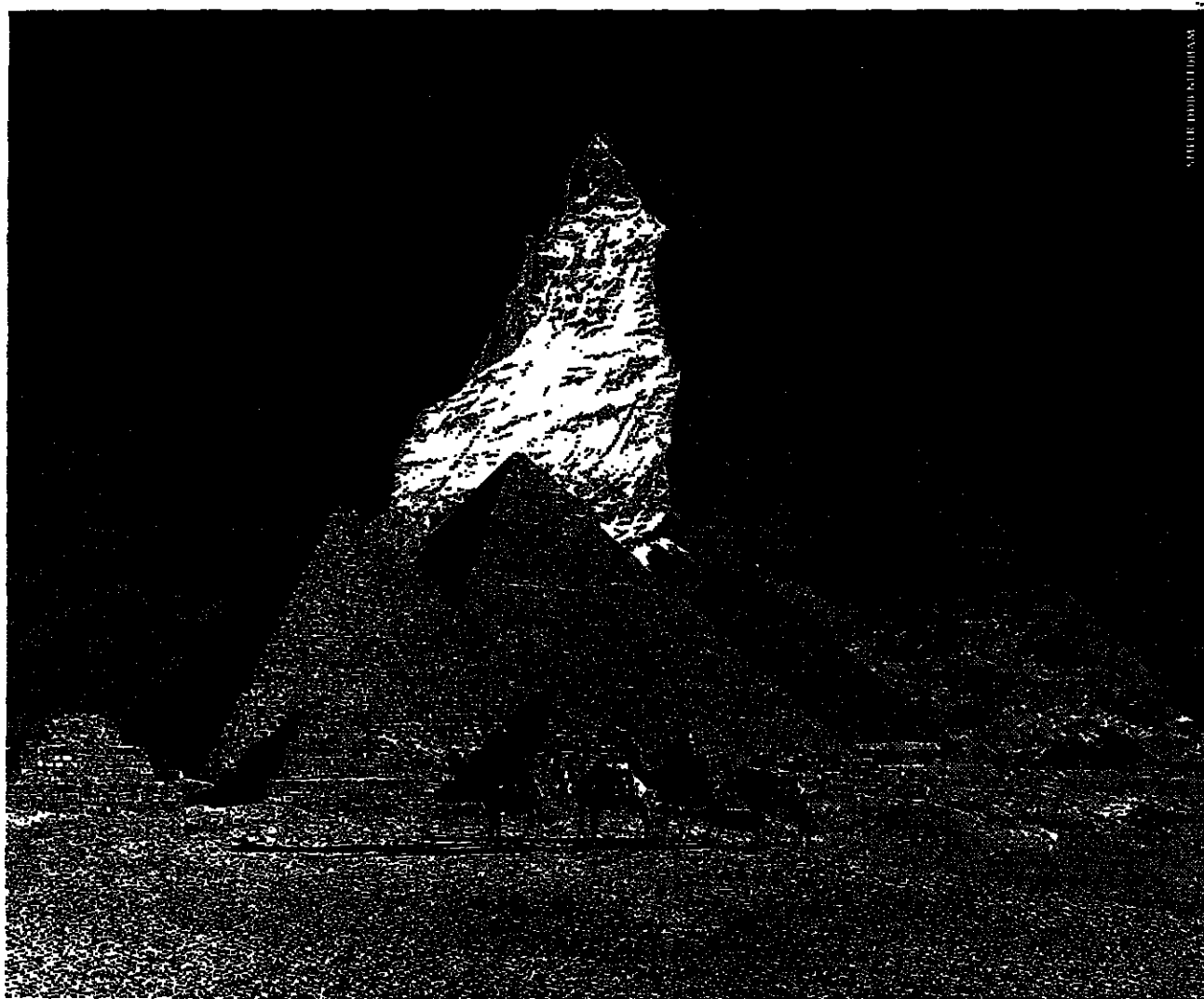
"Frankly, we are in very bad shape," the businessman declared. "There is a lack of foreign exchange. Financially, this is going to be a very bad

year. Fourteen years ago we had \$28bn in reserves, we had diplomatic relations with the entire world, our warehouses were full and our factories were operating properly with new machinery."

"Now, there is no sign of the \$28bn, 4m people have fled Iran, our warehouses are empty and our factories are broken down. Morale is extremely low, and there is bribery at all levels," he said.

"There is no alternative to the rule of the mullahs," he added. "But the only way out of the mess is for the government to be honest with the people of Iran about the economic crisis, to release political prisoners, and to give clemency to Iranians who return."

Last month's troubles in Mashhad and other towns across Iran would seem to carry a warning for President Rafsanjani: that unless he acts fast to deal with the country's economic malaise he runs the risk of seeing his reform efforts engulfed by popular unrest.



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Gatt warns Canada on growing US ties

By Frances Williams
in Geneva

GROWING concentration of Canada's trade with the US reveals the risks as well as advantages for Canada of the free trade pact between the two countries, a Gatt report warns.

The report on Canadian trade policies, discussed by Gatt's governing council yesterday, says the US/Canada free trade agreement (FTA) has boosted intra-industry trade, promoted investment, encouraged new employment and abolished many protective rules. But it has shown weaknesses in Canadian industry, a large chunk made up of small and inefficient companies.

In the past two years, the US recession has hit Canada's manufacturing strongholds, including the car industry, and contributed to bilateral trade frictions, the report notes. In 1990, 72 per cent of Canada's trade was with the US. The need to avoid over-reliance on US trade had underpinned Canada's involvement in Gatt and the Uruguay Round. Canada sought a strengthened Gatt framework to provide "an external anchor" for regional integration, and to ensure balance between participants.

Canada's recession had been aggravated by developments on world markets for its traditional exports, including grains, timber and minerals. Canada's grain farmers had been devastated by the US-EC subsidies war. Canadian producers had been hit by the entry into world markets of metals exports from the former Soviet Union and Eastern Europe, and world over-capacity in forestry industries.

Gatt members yesterday welcomed Canadian moves to more trade liberalisation, but criticised aspects of policy. They stressed the need for the FTA and the future North American Free Trade Agreement to be trade-creating and consistent with Gatt principles, noting that, in contrast to its push for a more open trade regime for grains, Canada was trying to keep import curbs for less competitive farm sectors.

EC sees signs of hope in farm row

By David Gardner in Brussels

RENEWED attempts by the European Community and US to secure a breakthrough in the stalled Uruguay Round of world trade liberalisation talks are under way, on the basis of the so-called "new ideas" brought into play following last month's reform of the Community's farm subsidies regime.

Some Brussels officials detect a new willingness in Washington to settle the farm subsidies row, in anticipation of problems the US will have in winning an agreement on services and market access, the two other most troublesome areas of the Uruguay Round.

Mr James Baker, the US secretary of state, will take up the talks when he comes to Brussels next week. Nevertheless, the EC and US remain stuck in apparently close but until now irreconcilable positions on farm subsidies.



On the central US demand that the EC cut its volume of subsidised food exports by 24 per cent, Washington is immovable, a senior Commission official says. Mr Frans Andriessen, the external affairs commissioner, is understood to have offered a 20

The Irish agriculture minister, Mr Joe Walsh, yesterday called the US ambassador in Dublin to his office "for clarification" over Washington's threat to impose punitive tariffs on a "hitlist" of 22bn of EC food exports, if the EC does not reform its oilseed subsidy regime, writes Tim Cooney in Dublin.

More than 10 per cent of the penalties would fall on Irish exports, a highly disproportionate amount given Ireland's small contribution to EC oilseed production and given that its population is

just 1 per cent of the EC. Meanwhile, Mr Ray MacSharry, the EC agriculture commissioner (left), said the US would suffer much more in a trade war with the EC as it had a trade surplus with Europe. "The US and EC should look for peace in international trade and not trade wars," he added. The punitive tariffs would be particularly damaging for Ireland's dairy processing industry, and for specialised liqueurs, using cream, which feature prominently on the "hitlist".

years stipulated by the General Agreement on Tariffs and Trade (GATT).

The US also wants to set in concrete the 15 per cent "set-aside" (taking land out of production) in the EC's recent farm regime reform. This set-aside is the condition for farmers receiving

compensation payments for big price cuts, and is one of two ways the Community intends to rein in overproduction.

The US would allow these direct payments as non-trade distorting subsidies, officials say, provided overall domestic subsidy was cut by 20 per cent. Mr Ray MacSharry, the EC agriculture commissioner, has demanded that payments linked to production restraint should be totally exempt and open-ended.

Senior officials say, however, that the US is moving towards a big concession on the EC's demand for a so-called "peace clause", whereby it would desist from unilateral trade sanctions such as the punitive tariffs it is now threatening on EC food exports. This, they say, would take the form of an undertaking to pursue future disputes through Gatt procedures - not the case in the current dispute sparked by the EC's oilseeds regime.

Russia to lease first western airliners in \$400m Airbus deal

By Paul Betts, Aerospace Correspondent, in Berlin

AIRBUS Industrie, the European aircraft consortium, is expected to deliver the first western-built aircraft to Russia next week, after arranging lease financing to support the sale of the five A310 wide-body airliners worth about \$400m (\$220m).

The aircraft will be delivered to Russian International Airlines, a new carrier formed to operate the five Airbus airliners on long-distance services from Moscow to the Far East, Mr Adam Brown, Airbus director of planning, said. The new carrier is a subsidiary of Aeroflot, the former Soviet carrier now undergoing change following creation of the Commonwealth of Independent States.

Airbus has agreed to assume the financial risks of the leasing arrangements to enable the delivery of the A310s to go ahead after all the national export credit agencies declined to support the deal. Aeroflot originally signed a purchase agreement for the five airliners

in 1990 for delivery starting January this year. But the political situation in the former Soviet Union made financing the sale extremely difficult.

Mr Brown said Airbus had now received "full support" from the Russian government, clearing the way for the consortium to arrange lease financing "on reasonable terms". The first A310 is expected to be delivered next Monday and the remaining four by the end of July. Two aircraft have been sitting at Airbus headquarters in Toulouse, south-west France, waiting for the financing to be completed.

Aeroflot had intended to use its first western-built airliners to operate Moscow to New York services. Airbus has also entered into a number of co-operation agreements with the CIS aerospace industry. These include:

• An agreement with the Russian Institute of Aviation Materials (VIAM) to test light-weight lithium-bearing aluminium alloys which could eventually be used more extensively on the new Airbus A330/340

wide-body airliner family; • A contract with the Russian-British joint venture Heavy Lift Volga-Dnepr to lease large Antonov AN-124 cargo aircraft to transport equipment between the various Airbus plants in Europe; • Use of wind-tunnel facilities near Moscow.

Although no serious discussions have yet started, Mr Brown said Airbus was interested in co-operating on joint production of aircraft with CIS manufacturers aimed primarily at the new aircraft requirements of the CIS market. He suggested the European Bank of Reconstruction and Development could help finance such a venture.

However, he said there was unlikely to be any significant growth in air traffic in the CIS before the turn of the century. "In the short and medium term, traffic within the region is likely to decline as the bulk of the population devotes its limited economic resources to satisfy needs for basic consumer commodities before turning to air travel," he said.

Warning to Bonn on EFA decision

By Paul Betts

THE German aerospace industry is pressing for a decision this month on Germany's participation in the four-nation \$20bn European Fighter Aircraft (EFA) project amid growing signs that Bonn could further delay a decision on whether to pull out.

Mr Karl Dersch, president of the German aerospace industries association and a member of the Deutsche Aerospace board, warned yesterday at a Financial Times conference in Berlin of the dire consequences for German industry of a withdrawal from EFA.

Criticising the political pressures threatening German participation in the programme, he said: "The European aerospace industry cannot live with a policy driven constantly by election schedules and party politics in the member countries, resulting in short-term and short-sighted populist ad-hoc decisions."

He warned Germany could face "another 1945 when all our scientists went away either to the US or to Russia" if the country's aerospace industry did not participate in EFA.

The lack of far-sighted policies risked not only destroying the defence technology competence of an EC member country but also "the entire structure of European security and defence co-operation," he said.

Deutsche Aerospace, part of the Daimler-Benz car group, has said it would have to close at least two of its 14 domestic plants if Germany withdrew from the EFA. Withdrawal would also threaten up to 10,000 jobs at Deutsche Aerospace and another 10,000 jobs at German suppliers.

Mr Dersch and officials of the Dutch Fokker aircraft group said merger negotiations between Fokker and Deutsche Aerospace were advancing. Deutsche Aerospace, with Aerospatiale of France and Alenia of Italy, is bidding for 51 per cent of Fokker.

US political sands shift under Nafta

JUST weeks ago, the prospects for the North American free trade agreement seemed assured.

The proposed pact between the US, Canada and Mexico had the support of the Republican establishment, of Governor Bill Clinton, the prospective Democratic nominee, of the powerful Texas Democrats on Capitol Hill and most of the Democratic leadership in Congress.

But the outpouring of public disaffection for "politics as usual" has pushed to the forefront of many polls in the US election campaign Mr Ross Perot, the Texas billionaire. His campaign for the presidency is stressing jobs, and he has said a Nafta pact would send jobs to Mexico.

The White House has taken its own polls and remains convinced that President Bush's support for Nafta is a winning issue. Although many working class Hispanic Americans believe Nafta would cost jobs, the Latino business organisations cautiously support the pact.

Under the tightly constrained fast-track procedure - which forces Congress to vote on a trade pact without amendment - it is too late to get Nafta approved by Congress this year. Between retirements and election defeats, one-quarter to a one-third of the House could be new next term, and no one can foresee the prevailing sentiment on trade issues.

The president is expected to stage a high profile initialing of the agreement at the most politically opportune time - either when negotiations finish or after the pact has been sent to Congress.

Politically sophisticated trade lobbyists, like Mr Harry Freeman, executive director of the MTN Coalition, believes the Democrats will use Nafta as a weapon against the president, arguing that he wants to divert jobs to Mexico.

A centrepiece of the opposition will be a letter from the president to the Congress in

May 1991, in which he committed himself to action on environmental issues, labour rights and worker adjustment assistance. "Whatever the administration sends to Capitol Hill with Nafta, or if they don't send a complete package in these three areas, the Congressional Democrats will seize upon the deficiency - real or alleged, it doesn't matter," said Mr Freeman.

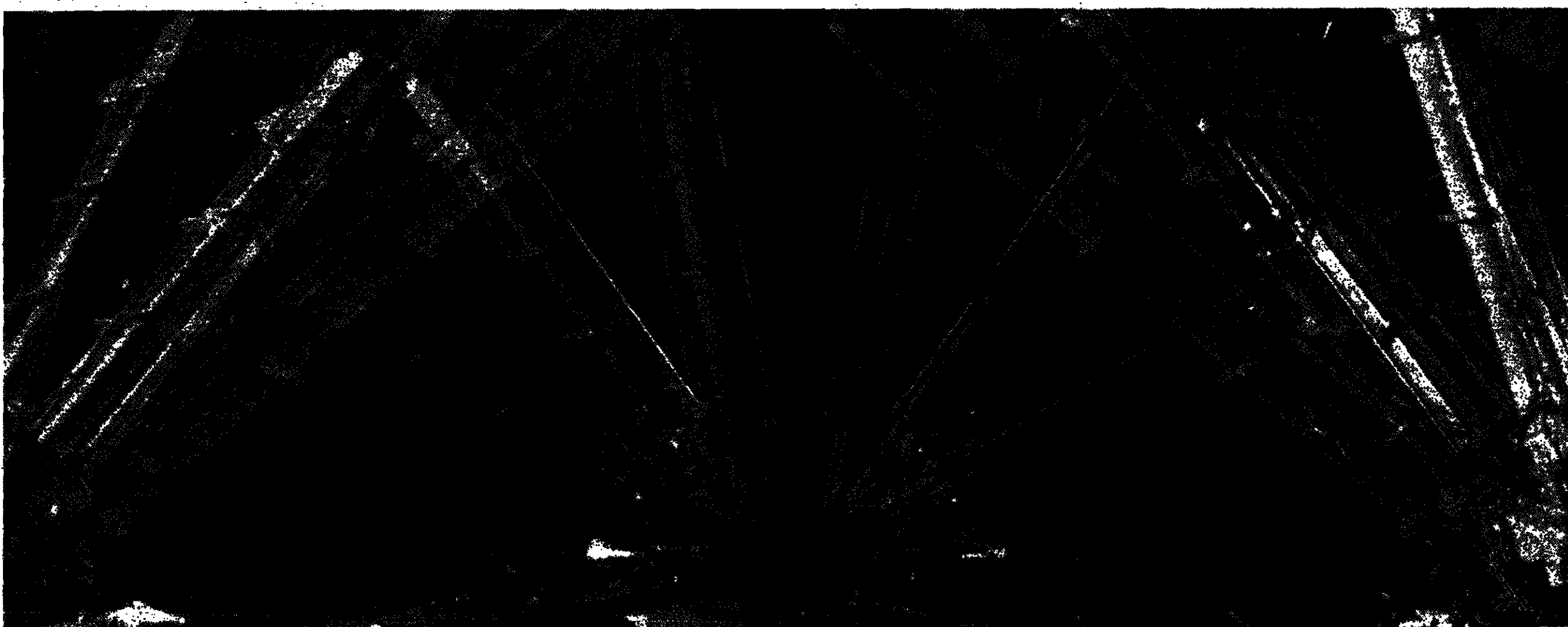
Prospects for the free trade deal are no longer so certain, reports Nancy Dunne

Governor Clinton is also likely to deem the pact the "wrong kind of Nafta". The environment/farm/labour coalition opposed to the Nafta has prepared its ground well in the House. It now has 200 signatories to a resolution, introduced by Congressman Henry Waxman and majority leader Richard Gephardt, which warns that they will not support a Nafta that does not have strong environment or food safety provisions. Fifty-seven of the 200 signatories voted for the president's fast-track authority and now may be moving over on the issue.

"There are millions more people who 'get' the Nafta now," said Ms Lori Wallach of Ralph Nader's Public Citizen. "They have been contacted by their local churches, labour unions, farm groups, environmental or consumer organisations. There is a new awareness of its costs and that has come back to their representatives in Washington."

In the Senate, Nafta is threatened by a resolution introduced by Senator Don Riegle, which would permit Congress to amend the agreement in five areas. "If the Riegle resolution gets through," said one business lobbyist, "we might as well kiss Nafta goodbye."

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NEWS: AMERICA

US interest rate hopes hit by price rises

By George Graham
in Washington

RISING wholesale prices in the US last month have reopened the possibility that inflation will revive, and have helped to dampen expectations of further cuts in interest rates.

The Bureau of Labor Statistics said producer prices rose 0.4 per cent last month, the sharpest rise in the past 18 months. The rise took the year-on-year wholesale inflation rate from 0.9 per cent in April to 1.1 per cent in May.

While this is still a low increase, it sounds a note of caution to those who have been urging the Federal Reserve to cut interest rates further in order to help along the faltering US recovery.

Advocates of a reduction in interest rates might otherwise have drawn encouragement from the disappointingly weak level of retail sales last month.

The Commerce Department said its advance estimates put

May retail sales at \$158.8bn, just 0.3 per cent higher than April's \$158.5bn - itself revised down from an earlier estimate.

Economists have been expecting indicators of consumption such as retail sales to show slower growth in the second quarter than in the first, but they had still hoped for a more robust performance than yesterday's statistics indicate.

Some analysts, however, commented that the apparent surge in producer prices presented little threat of a rise in inflation.

They pointed out that much of the rise could be attributed to increases last month of 5 per cent in civilian aircraft prices and 7.3 per cent in tobacco products.

But others noted that May's statistics showed the core inflation rate, excluding volatile food and energy prices, rose to 2.5 per cent year on year, after months of stability at 2.4 per cent.

THE EARTH SUMMIT

Major will pledge action to help Third World

By David Lascelles
in Rio de Janeiro

MR JOHN MAJOR, UK prime minister, will be pledging British financial and political support for action agreed at the Earth Summit here today.

He will state to the plenary session Britain's aid contribution to Third World countries to help them overcome their global environmental problems. He will also sign the biodiversity treaty, which is one of the key documents emanating from the conference.

Mr Major will use his 36 hours in Rio for bilateral meetings with other political leaders. These include President Daniel arap Moi of Kenya, Mr Albert Reynolds, the Irish prime minister and Li Peng, the Chinese prime minister, with whom he will discuss Hong Kong.

Mr Major said the summit demonstrated two things: "The importance of the occasion and the fact that so many nations are prepared to come together, often swallowing their own domestic national interests, to

try and reach an agreement on matters of importance to the environment."

Mr Major, who has pledged to sign all the summit conventions, said he understood reservations expressed by the US, which has been criticised for refusing to accept a commitment to binding targets for development.

"I realise that some people would like to go further. But this conference is quite unique. 100 nations here seeking to reach agreement. It was never going to be easy."



Panamanian demonstrators shouted "Bush, murderer!" as they rampaged on Wednesday night through the square in Panama City being prepared for the US president's speech yesterday. Mr Bush arrived at noon on a brief visit to salute US troops, meet President Guillermo Endara of Panama and make the address. He was to fly on later yesterday to the Earth Summit in Rio de Janeiro.



OIL MAJOR: The PM at a rig in Colombia en route to Rio

Flower power draws delegates



There seems to be more under way in Rio than environmental discussions. Demand for the single roses being sold by Mr Chen Wen Yi of China is running at 1,200 a day. Mr Chen's service, at a few thousand cruzeiros (about \$1), enables summit romantics to send a rose to someone inside the conference centre. A label is attached on which the admirer's name and number is written, presumably with the hope of arranging a date. Delegates are obviously finding the need for some light relief from such weighty matters as discussion on atmosphere and International Development Assistance.

□□□

The late nights in the frantic race to resolve the planet's problems are taking their toll. Wednesday night's proceedings broke up at 5am, and the previous night went on to 4am.

Some delegates are no longer bothering to return to their hotels. Red eyes and unshaven chins are the order of the day. Mr Rubens Ricuper, chairman of the finance negotiations, emerged from yesterday's 17-hour marathon with raw elbows from leaning on the table for so long. Mr Jamshed Marker, head of the Group of 77, missed the G77 reception on Wednesday night so that he could grab a quick nap. The conference centre drugstore says it cannot keep up with the demand for vitamin tablets.

Help is at hand for delegates who cannot take the pace, in the form of an environmentally sound Amazonian drug sold on the mezzanine floor of the conference centre. Guarana, sold in powder or capsule form, is made from a "sustainably cultivated" Amazonian berry, and is guaranteed to revitalise flagging delegates over the next 72 hours of meetings. Described by one delegate as "like injecting pure caffeine", one pill is the equivalent of drinking eight cups of strong coffee. Many Brazilians swear by it and Rio residents samba their way through the week-long annual Carnival with its aid.

Guarana's lack of side effects has apparently also made it a hit in London nightclubs. Its green credentials make it most suitable for surviving the final days of the Earth Summit.

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A world record for the hotel business may have been set by the Copacabana Palace, a magnificent belle époque pile on the Rio seafloor. Last night it provided shelter for no fewer than 16 heads of state or government, and it announced the fact by flying their flags along the first-floor balcony.

Its guests included the leaders of China, Jordan, Czechoslovakia, Chile and Belarus, as well as Britain's John Major, who slipped in at 1am. The hotel's grand entrance is constantly awash with limousines and police cars with flashing lights, though the atmosphere inside is surprisingly relaxed.

Optimism eases Argentina's 10 years of agony

John Barham on a country still pained at its Falklands defeat

TEN YEARS ago on Sunday, Argentina endured the worst moment in its history as its humiliated armed forces surrendered to British troops in the Falkland Islands. As the Falkland Islanders celebrate the event this weekend in the company of former British prime minister Margaret Thatcher, Argentina is still agonising over the defeat.

Despite this, for the first time in years, there is a sense of hope and optimism in the air in Buenos Aires.

Argentina has changed since it sent its forces to recover the islands and now is enjoying a period of unprecedented political freedom and economic growth.

In many ways, yesterday's defeat and today's relative prosperity are closely linked. Defeat not only broke the power of the military and restored civilian rule, it also eroded the power of other groups such as the church, big business and trade unions that had blocked reforms for decades. Hyperinflation in 1989 hastened the end of the corrupt, inefficient state-dominated economy.

When he took office in 1989, President Carlos Menem was forced to introduce what has become one of the world's most radical and most successful free market reforms. Today, Argentina has low inflation, rapid economic expansion and growing international prestige. The economy is set to grow 6 per cent this year and inflation should fall to below 20 per cent from 84 per cent in 1991.

Growth, stability and respectability, as well as overarching objectives in their own right, are also part of the strategy to win control of the Falklands. Recovering the Falk-

lands remains a national aspiration that no government can ignore. Only last week, Mr Menem repeated earlier statements that Argentina would peacefully establish sovereignty over the islands "by the year 2000".

Argentina diplomats argue that as their country becomes a respected member of the international community by creating a stable, prosperous and democratic system open to international trade and investment, the Falklands' rejection of ties with Argentina - culminating in full integration - will therefore appear increasingly unreasonable.

The architect of Mr Menem's foreign and economic policies is Mr Domingo Cavallo. He became foreign minister in 1989, when he established Argentina's pro-western foreign policy. In 1991 he became economy minister, creating a convertible currency and bringing much-needed energy and coherence to Mr Menem's flagging reforms.

Argentina not only restored diplomatic relations with London in 1990. It has submitted to American pressure to scrap the controversial Condor II ballistic missile project and abandoned exports of sensitive missile and nuclear technologies. It has applied for membership of the 24-member industrial-nation Organisation for Economic Co-operation and Development and rarely misses an opportunity to join in United Nations peacekeeping missions.

In return, it has won crucial backing from the US and other G7 countries in the International Monetary Fund and World Bank to allow it to restructure its debt.

Talks with London over the Falklands have moved on from sterile bickering over sovereignty to mundane, but more productive discussions over fishing rights and oil exploration regimes. Meanwhile, both sides have simply agreed to disagree over the underlying issue of sovereignty.

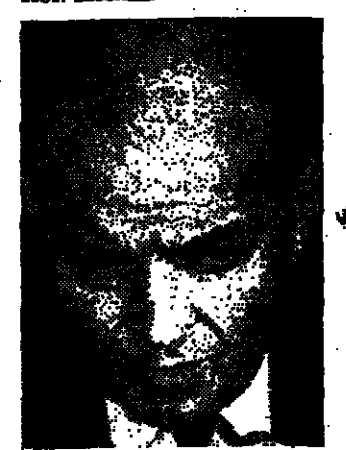
Mr Guido di Tella, the foreign minister, has even gone so far as accepting the importance of recognising the islanders' rights, rather than their interests - an important distinction which demonstrates an Argentine willingness to compromise.

Another important strand in the intertwining economic and foreign policies is Argentina's courtship of British trade and investment. Britain's exports are set to double this year from about \$70m (\$127.4m) in 1991, while Argentine exports should remain stable at about \$140m. Bilateral trade is still to reach the level at which it stood in 1981: \$298.1m.

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Cavallo: brought coherence to reforms

Officials want to attract UK investment in Argentina's aggressive privatisation programme. Furthermore, privatised utility companies are expected to invest heavily in upgrading the collapsing infrastructure, making Argentina a promising market for everything from railway equipment to power generators.

Buenos Aires believes that growing British exports and investments will help reduce the Falklanders' suspicions of all things Argentine. They also hope that British companies with business in Argentina could counteract the highly effective anti-Argentine Falklands lobby in Whitehall and Westminster.

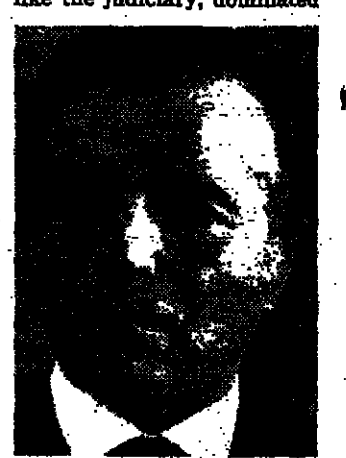
However, the potential for expanding trade is limited by the lack of British government export insurance cover. British officials say coverage will only be resumed once Argentina establishes a track record in honouring international financial commitments.

That will be easier than persuading London to change its policy of defending the Falklanders' right to self-determination. And the islanders remain as resolutely anti-Argentine as ever.

Furthermore, Argentina still faces problems that will inevitably encourage suspicion of its opponents in the British parliament.

The economy may be booming on the back of consumer demand, but Argentina's industry is still a long way from being internationally competitive.

In spite of 10 years of democracy, congress is weak and, like the judiciary, dominated



Menem: forced to introduce radical reforms

by an all-powerful presidency. Mr Menem himself is permanently dogged by corruption scandals. He cares little for institutional reform, except for pushing hard for a constitutional amendment which would allow him to stand for re-election.

An economic reverse, such as an upsurge in inflation, could have dangerous political side effects. Equally, a political upset, such as another scandal or complications arising from Mr Menem's campaign to amend the constitution, could destabilise the economy.

The Argentine belief that its commendable policies will bring it any closer to winning the Falkland Islands in the foreseeable future may thus prove to be a delusion.

Correction

A headline on an item in the American news page yesterday was incorrect. It should have read: US allowed Indonesian arms sales to Iraq.

Critics suspicious of Japanese motives

A RUMOUR raced through the vast hall of delegates at the summit this week: Japan had promised \$100bn in environmental aid to the Third World. It was quickly denied by the Japanese office in Rio. But the fact that people were prepared to believe in such a staggering sum was no surprise, because Japan has taken a high profile there, and everyone expects it to back this with an offer of hard cash.

Mr Noboru Takeshita, the powerful former prime minister, who is in Rio, says Japan intends to act as "a bridge" between countries to help make a success of the conference. To underscore his interest, he has had his *meishi* (visiting cards) printed on silvers of wood, from a tree downed by a storm rather than a chainsaw.

Tokyo's message has caused a stir because Japan seldom seeks a lead role in global matters. Yet here is clearly an issue for which it is eminently suited. It has made an impressive job of cleaning up its own industrial mess, and it now has the money and technology to transfer that experience to poorer countries.

Even so, summit participants are treating Japan's initiatives with caution because its motives are not clear. It is easy to find reasons why Japan sees

its interests threatened by growing concern about the environment. As the world's largest importer of resources, it is vulnerable to measures taken by other countries to protect their natural wealth.

Also, though Japan has instituted tough internal controls to clean up its own land, air and water, it has yet to back its professed concern for the environment with measures to curb its appetite for imported raw materials. Tropical timber and whales are the issues that stir most controversy.

Organisations such as Greenpeace and Friends of the Earth operate in Japan, but on a tiny scale by western standards, and their campaigns have drawn little public response. Japan's clean-up has come through administrative measures rather than pressure from a vocal green lobby, which adds to foreign suspicion that the real driving force behind Japan's environmental diplomacy is its national, and particularly its business, interests.

Not that there is a shortage of high-minded motives. Dr Shozo Nishikawa, director of the Centre for Global Environmental Research in Tsukuba, north of Tokyo, says: "People here get nervous when they hear others say that Japan has succeeded economically, but that it is not contributing to the

world. Countries which get to the peak of their era give the world something: France gave notions of freedom, the US gave the mass-production system. The global environment is a good issue for us to tackle."

The real question is whether Japan is willing to make a sacrifice, in particular to reduce the ravages its industry makes on the raw materials of other countries. As Mr Yu Tanaka of

Tokyo's readiness to help clean up the Third World is partly self-interest, reports David Lascelles

Kiki, an environmental group, points out, Japan's imports weigh seven times as much as its exports. The difference is either consumed domestically or goes to waste.

Like many critics, he maintains that Japan has cleaned up its industries only by relocating the worst of them abroad. This accusation is not always convincing. Last year, however, a bill that would have extended domestic environmental regulations to the overseas plants of Japanese companies was dropped by parliament, under pressure from

industry. Instead, Keidanren, industry's powerful trade group, has tried to head off environmental regulation by taking a leading role in setting standards itself.

In 1989, Japan took its first big step towards tackling the environmental problems of other countries by allocating a specific sum for them in its Official Development Assistance (ODA) programme. This was \$700bn over three years. In fact, the money was spent in only two years, and Japan is expected to announce the next stage of the programme in Rio.

But even this initiative has attracted controversy. The green groups say much of the money is being spent to sustain Japan's sources of raw materials in other countries by, for example, building access roads, or by teaching countries to grow even more trees for Japanese loggers to cut down. "Japanese aid policies are geared to supporting the activities of Japanese corporations," is the blunt comment from Mr Yoichi Kuroda, of the Japan Tropical Forest Action Network.

This accusation is denied by the Japan International Co-operation Agency (JICA), which administers much of the ODA programme, though officials admit that some of the money is going to repair past damage. Japan's interest in greenery

is also obviously linked to promoting exports of anti-pollution technology. However, poorer countries hope Japan will give it away rather than sell it, posing a further test of Japan's seriousness about the environment.

Mr Nobutoshi Akao, Japan's ambassador to the Rio conference, gives a cautious view: "We know that we have to facilitate technology transfers to resolve the pollution problems of developing countries. But we have to remind people that most of the environmental technology is developed by private companies as a result of heavy investment."

What critics are looking for in Rio is a commitment by Japan to reduce its call on world resources. Rather than spend aid money on Malaysian forest management, it should be trying to reduce timber imports. If it really wants to help other countries it should raise its ODA budget from the present low level of 0.31 per cent of GNP. (Industrial nations have a target of 0.7 per cent, though few have reached it).

On the other hand, Japan has made enough progress in cleaning up its own environment and boosting industrial efficiency to allow it to ask other industrial countries to match it before they criticise.



ON HIS WAY: President Bush leaves Andrews Air Force base near Washington yesterday for Rio

East Europeans keen to clean up

By David Lascelles
in Rio de Janeiro

MEMBERS of the former Soviet bloc are present in Rio in large numbers - not only do they have appalling environmental problems, they also see the occasion as an opportunity to assert their new-found independence.

Many of the erstwhile Soviet republics have come: the Baltic states, Belarus, Ukraine, the Caucasian states and the Russian federation. The former Yugoslav republics of Slovenia and Croatia - as well as Montenegro - are here too. All have agreed to sign all the conference documents.

Their message has been that they accept their environments are in a mess and are acting on it. Some countries, such as Poland, have instituted special measures, like the establishment of an eco-bank. Many of these countries have also made

clear they are not trying to wrest money from the rich industrial nations which might otherwise go to help developing countries deal with global environment problems.

However, the former Soviet bloc states have managed to secure the inclusion in conference documents of a reference to the problems of countries "in transition to market economies", which may qualify them for additional access to financial and technological help.

Mr Jacques Attali, president of the European Bank for Reconstruction and Development, gave the conference a sombre warning: "If, in the transition to democracy and the market economy system, all these countries do is copy imported western models they will repeat the mistakes already committed in the West, which is in no position to give lessons to anyone where the environment is concerned."

The man who used CIA tools to commit a \$1.1bn fraud

By Alan Friedman
in New York and
Richard Dinkin in London

IN two weeks a bespectacled 62-year-old former entrepreneur and local church leader from the Amish farm country of southeastern Pennsylvania will surrender at the gates of a minimum security prison and begin a 15-year sentence.

Nearly three years after the discovery of an international arms trafficking and financial fraud that crippled Ferranti, Mr James Guerin, the former deputy chairman of the UK group, is finally going to jail. He was sentenced on Wednesday evening by a US judge.

For Ferranti, Mr Guerin's incarceration is the end of a long nightmare that saw the once proud defence company reduced to the role of a bit player in the international arms market. For Britain, one of the main pillars of its defence industry has crumbled.

For South Africa, which according to US prosecutors secretly offered asylum to Mr Guerin and three other executives, the Ferranti affair is an acute embarrassment. Relations between Pretoria and Washington have been further strained by South Africa's refusal to respond to the US indictment of its state-owned arms company, a weapons maker involved in the Guerin crimes.

For the US government, which permitted an adviser to President George Bush to plead for clemency for Mr Guerin and to confirm his claims that he worked with the Central Intelligence Agency in the 1970s, the sentence may come as a relief.

The sentence cannot, of course, make good Ferranti's losses, stemming from \$1.14bn (\$920m) of fraudulent arms contracts and \$950m of money laundering by International Signal & Control (ISC), the Pennsylvania company Mr Guerin sold to Ferranti for \$70m in 1987. The company estimates it lost \$500m.

But the loss of turnover and overpayment for ISC. The loss to shareholders is hard to quantify.

Not can the jail term alter the fact - according to US investigators - that some of the US missile testing equipment and anti-aircraft radar systems shipped illegally by Mr Guerin were ultimately used by Iraq against allied forces during the Gulf war.

While the bulk of the fraud was perpetrated in the 1980s, it is ironic that Mr Guerin used a New York dummy company, called Gamma, that US officials acknowledge was set up in the 1970s in co-operation with the CIA and the National



Guerin: jailed for 15 years, but Ferranti left crippled

Security Agency, the US electronic surveillance agency.

Admiral Bobby Ray Inman, chairman of President Bush's foreign intelligence advisory board and a paid member of the proxy board of a Ferranti US subsidiary that carries out classified government work, said on Mr Guerin's behalf that he worked with Mr Guerin between 1975 and 1978. This work involved the shipment by ISC - through Gamma - of military communications equipment to South Africa which helped the CIA track South Africa's nuclear weapons capability and monitor Soviet activities in the region.

US officials note that in a matter of such importance the CIA director would have been well aware of Mr Guerin's activities. The CIA director during the period of the most intense co-operation with Mr Guerin was Mr George Bush.

The CIA thus gave Mr Guerin the tools that, he claims, he later used without official Washington approval.

Admiral Inman has termed Mr Guerin a patriot. But this week Mr Robert Goldman, the chief US prosecutor, replied that Mr Guerin was merely "a self-appointed patriot".

It remains unclear, however, why - as US law enforcement officials have confirmed - the CIA did nothing to halt illegal ISC shipments to South Africa between 1984 and 1989, despite the fact that the agency was debriefing some of Mr Guerin's colleagues at the time.

The CIA has declined to comment, except to argue that it always co-operates with the Department of Justice on matters relating to possible violations of US law.

Investigators on both sides of the Atlantic were astounded at the breathtaking scale of the financial fraud, which involved

the creation of hundreds of fake contract notes and invoices. Front companies were created, including 38 Panamanian entities controlling 51 Swiss bank accounts.

From about 1981 ISC began fraudulently to inflate its sales and profits. By the time its fraud was discovered in 1989 its operations were masking \$1.1bn of fictitious contracts. Ferranti has stated that as a result its payment of \$670m to acquire ISC was far too high.

Mr Guerin apparently exploited the gentlemanly approach of ISC's auditors who were escorted on pre-arranged site visits to inspect inventory, or were often simply lied to.

One senior investigator said: "It was just like the betting operation created in the film The Sting. There was one office in Greece which was a hive of activity when it was visited by auditors. Two weeks later it was empty. The whole charade had been created for the auditors' benefit."

Some of the biggest fraud involved fake contracts with Pakistan, such as \$512.9m arranged under the codename KP. To persuade auditors of its authenticity, Mr Guerin recruited Mr Talat Masood, a Pakistani general and chairman of the Pakistan Ordnance Factory Board, to confirm the existence of contracts.

Now Mr Guerin is on his way to prison. Yet several issues remain unresolved.

What will happen to the handful of other former Ferranti-ISC executives facing sentencing? They have told prosecutors they thought they were carrying out CIA-approved work and had reason to believe Mr Guerin's claims of Washington sponsorship since they were deflected by the CIA during the 1980s. The prosecutors say this is irrelevant.

Mr Guerin may be indicted again, this time in Florida, where US prosecutors are finding links with Mr Carlos Cardoen, the Chilean arms maker who was Iraq's biggest supplier of cluster bombs and landmines.

In the mid-1980s ISC cluster bomb technology was transferred illegally to Mr Cardoen in Santiago.

A continuing Philadelphia investigation concerns bribes allegedly paid by Mr Guerin to agents in Pakistan and in the United Arab Emirates (UAE).

In London, the Serious Fraud Office (SFO) has wound down its investigation into the Ferranti affair. The UK end of the probe will remain technically open until Mr Guerin's accomplices in the fraud are sentenced later this year. But the possibility of any UK charges arising out of the scandal is thought to be unlikely.



Shrunken empire: Chairman Eugene Anderson is still trying to turn the company around after its 1989 body-blow, but it continues to make losses

Group sells its soul to save a shadow

By David White,
Defence Correspondent

FERRANTI International is a shadow of its former self. It has struggled on since 1989 by selling bits of itself - including parts that were its pride and soul.

Disposals, together with cuts in its remaining activities, have reduced it to about 5,000 employees, less than a quarter of the workforce when the International Signal and Control scandal broke. Turnover, which was then about £1bn, is expected to have dropped to below £400m for the year ended March 31. Ferranti shares, which in 1989 reached 113½p, have traded this year in a range between 3½p and 13p.

Mr Eugene Anderson, the former Johnson Matthey chief executive who

took over as chairman in February 1990, is still trying to turn the company around. It continues to make losses, although analysts expect 1991-1992 figures to improve on the previous year's operating loss of £84m. The company's debt, which in 1990-1991 was cut by almost two-thirds to less than £100m, is also expected to show a reduction.

Two years ago Ferranti obtained £47m from shareholders in an underwritten rights issue. The next year it won £40m from auditors Peat Marwick in settlement of a legal action arising out of its merger, in 1987, with ISC.

Other disposals include Ferranti's Italian offshoot and a half-share in its naval sonar business, now a joint venture with Thomson-CSF. This has since suffered a further setback with cancel-

lation of one of its main projects for Royal Navy diesel-electric submarines. Ferranti's civil side - including industrial control systems for clients such as oil companies and power generators and computer-based systems for airports and emergency services - has increased proportionately, from about 25 per cent to 40 per cent of sales.

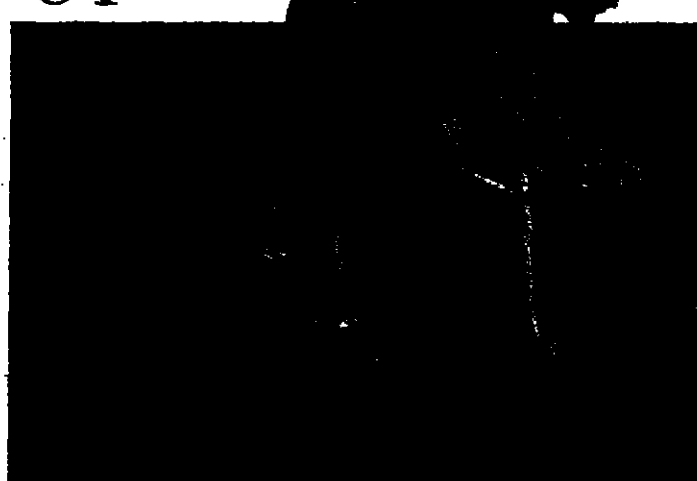
The Ferranti name also lives on in GEC Ferranti Defence Systems in Edinburgh, although it is wholly owned by GEC. It remains the area's largest manufacturing employer, but numbers have shrunk 30 per cent since Ferranti's time to 4,800. A more rigorous regime is now in place.

"People still look at it as the old Ferranti firm," says one senior manager. "But it isn't any more."

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GREEK EXPORTS SA INVITATION TO TENDER FOR THE HIGHEST BID

In line with the Greek Government's privatisation programme, the Corporation "GREEK EXPORTS SA" with head office in Athens (17 Panepistimiou St) legally represented in its capacity as liquidator, in accordance with the article 46e of Law 1892/1990, supplemented by article 14 of Law 2000/1991,

IS INVITING TENDERS

for the highest bid with sealed binding offers for the sale, in toto, of the Assets of the Company "NEORION SHIPYARDS SYROS Ltd" with head office in Ermoupolis, Syros, at 1 Neorio St.

ACTIVITY AND SHORT DESCRIPTION OF THE COMPANY

The Company "NEORION SHIPYARDS SYROS Ltd" deals mainly with ship repairs and conversions and with several industrial fabrications (train wagons, wind generator columns etc). The production facilities of the Company are located on a site owned by the company in Ermoupolis covering an area of about 35 acres and another one conceded by the State, by usage, covering an area of about 24 acres. The Company, apart from the facilities, has also other sites covering a total area of about 47 acres. Furthermore, the company owns the 386/000 of land of 305.68 square meters located in Pireus (67, Akti Miasouli) with a building, 1,592.71 sq. meters which is property of the Company.

The yard operates two floating docks of 75,000 and 40,000 tons dwt both equipped with 2x10 ton and 1x10, 1x15 ton cranes respectively. Berthing facilities are available to accommodate repairs afloat vessels up to 160,000 tons dwt. All berthing is serviced by travelling cranes with a maximum lifting capacity of 40 tons. Ship disposal is available by means of the company owned ship barge LANADO II. Heavy lifting can be undertaken by a 220 ton floating crane. The yard facilities are complemented by four tugs and a small motor coastal vessel for carrying grit and bulky objects. Due to the good climate internal blasting and coating can be undertaken with state-of-the-art machinery.

CONDITIONS OF THE TENDER

1. For this purpose, interested parties are invited to request the Offering Memorandum from the liquidator and submit a sealed, binding offer to the Ermoupolis Syros notary responsible for the invitation to tender Mrs Eleni Asanani, 7 Mikropoli St, Antoniou Polit St, tel (0281) 27 201 up to 06/07/1992. The submission of the offer must be made in person or by legally appointed representative.

2. The offer will be unsealed before the above mentioned notary on 09/07/1992 at 10.00 hours in the presence of the liquidator and all persons who have submitted offers within the prescribed time limit. Offers submitted after the prescribed time limit will not be accepted and will not be taken into account.

3. The sealed binding offers must clearly indicate the offered price for the purchase, in toto, of the Company's Assets and must be accompanied by a letter of guarantee from a bank legally operating in Greece. The amount of the letter of guarantee must be three hundred million (300,000,000) DRA or the equivalent in US Dollars.

In the event that the bidder to whom the Assets of the Company have been sold, does not abide by his obligation to appear and sign the relative sales contract within thirty (30) days from being invited to do so by the liquidator, and submit a sealed, binding offer to the Ermoupolis Syros notary responsible for the invitation to tender Mrs Eleni Asanani, 7 Mikropoli St, Antoniou Polit St, tel (0281) 27 201 up to 06/07/1992. The submission of the offer must be made in person or by legally appointed representative.

Guarantees deposited for participation in the tender are returned to the other participants after the adjudication of the tender and to the highest bidder of the tender after payment of the price agreed and the drafting of the act of payment.

4. The highest bidder is the one whose offer was judged by the liquidator and approved by 51% of the creditors as being in their best interests.

5. The liquidator is in no way liable and has no obligation towards participants in the tender either with respect to his evaluation report of the offers, which he will submit to the creditors, or in regard to his proposal, containing the highest bidder. Also, he is under no liability or obligation to those participating in the tender in the event of its cancellation or resumption, if the result is considered unfavourable by the creditors.

6. Those taking part in the tender and submitting offers do not acquire any right or claim, deriving from the present invitation and from their participation in the tender against the liquidator and the creditors for any reason.

7. The transfer of ownership expenses (taxes, stamp duty, notary and mortgage fees, and other expenses for drawing up topographical plans in accordance with law 651/77 etc) are payable by the buyer.

8. For further information please apply to:

a) The head office of ETBA SA
Participation Department
97, A. Sygros Ave. 2nd floor
Athens
tel. (01) 92 94 335 & 92 94 396

b) "GREEK EXPORTS" SA
17 Panepistimiou str., 1st floor
Athens
tel. (01) 32 43 111-115

NEWS: UK

Maxwell bid \$500m for Orion Pictures

By Alan Friedman in New York

THE late Mr Robert Maxwell apparently dreamed of becoming a Hollywood mogul and in 1990 made an unsuccessful \$500m bid for Orion Pictures, the now-bankrupt studio best known for releasing Woody Allen films.

According to a former investment bank adviser to Mr Maxwell, the media tycoon asked Wertheim Schroder, the New York investment bank partly owned by Schroder of the UK, to forward the bid to Mr John Kluge, chairman of Metromedia, the company which owned 70 per cent of Orion.

Wertheim Schroder has confirmed it acted as Mr Maxwell's go-between in exploring a bid of around \$500m for Orion. A spokesperson for Mr Kluge confirmed Mr Maxwell's interest in Orion, but called the discussions only "preliminary".

Last December, a year after the Maxwell bid, Orion filed for protection from creditors under Chapter 11 of US bankruptcy law. Entertainment

industry analysts say that had Mr Maxwell succeeded in buying Orion, the company would probably have been forced into bankruptcy anyway.

Wertheim Schroder, which handled the Orion matter on a contingency basis, was not paid any fees by Mr Maxwell. The investment bank did receive a payment for its 1990 advice on the sale of Maxwell printing companies to Quebecor of Canada.

Court documents obtained by the Financial Times meanwhile show Wertheim Schroder is still in a dispute with Arthur Andersen, administrators of the private side of the Maxwell empire, over another investment banking fee.

Payment of the fee - some \$500,000 - is being sought by Wertheim Schroder for advice it says it gave Mr Maxwell about the disposal of London and Bishopsgate International Incorporated (LBII), the New York money manager majority owned by Headington Investments, one of Mr Maxwell's main UK holding companies.

It was learnt this week that

in February the administrators sold LBII's assets to a group of six managers headed by Mr Andrew Smith, the vice-chairman of LBII. The court records - of a hearing in New York bankruptcy court last month - quote Mr John Dubel, a New York partner of Arthur Andersen, as saying that on February 7 he sold "substantially all of the assets" of LBII's parent company, LBII Limited.

According to the court documents Mr Smith, and the other buyers - who have renamed LBII as Strategic Global Investment - paid for the assets with \$7.7m in cash, a \$500,000 promissory note and the assumption of about \$1m of various liabilities.

Following the transaction, LBII Limited was placed into a creditors' voluntary liquidation. Mr Dubel told the New York court last month.

At LBII, Mr Robert Chender, a senior executive, said he was prevented by a confidentiality agreement from disclosing any details of the February asset purchase beyond those contained in the court records.

NatWest had doubts on validity of shares as security

By Robert Peston and Robert Rice

NATIONAL Westminster Bank accepted shares given to it by Mr Kevin Maxwell even though it had doubts about whether they were properly his to give, it emerged yesterday.

Maxwell pensioners, whose shares and funds were looted by Mr Robert Maxwell, will be concerned that the UK bank did not act on these doubts by refusing the shares.

The shares in question are a £20m holding in Teva, an Israeli pharmaceutical company, which the Maxwell pension funds claim are theirs.

NatWest received the shares as security for a \$27.3m loan which it made to Robert Maxwell Group (RMG), a Maxwell private company.

The bank noticed that the name of Bishopsgate Investment Management, the trustee for the pension funds, was on the document transferring ownership of the shares.

Mr Kevin Maxwell, however, insisted that RMG was holding the shares in trust for RMG. NatWest has said it took the mortgage of the shares in "good faith". It has pointed out that the shares are now being claimed both by the administrators of RMG and by the pension funds. It has therefore applied to the High Court to give directions on ownership. NatWest said that if the court rules that the shares were pension fund assets and not properly at the disposal of RMG, it will return them to the pension funds.



Redcoats recalled: US ambassador Raymond Seitz shows National Heritage secretary David Mellor the portrait of George Washington used on dollar bills. It is on display at a London exhibition celebrating "American patronage".

Commercial vehicle sales decrease sharply by 7.7%

SALES OF commercial vehicles in the UK fell 7.7 per cent last month compared with May last year, writes Kevin Dona.

Demand for new commercial vehicles has fallen for 32 months in succession, and sales last month were 50.5 per cent lower than in May 1989.

Sales of new commercial vehicles fell last month to 16,024 from 17,358 a year ago and 32,393 in May 1989, the Society of Motor Manufacturers and Traders said.

In the first five months of this year, registrations of new commercial vehicles were 86,331, 10.8 per cent lower than a year before.

Some commercial vehicle makers, however, have increased their sales in spite of the recession. In the small van sector Vauxhall has seen a year-on-year increase of 5.9 per cent in sales. In the medium-van sector Leyland DAF and Volkswagen have increased their sales by 12.3 per cent and 14.1 per cent respectively.

The fortunes of Renault have deteriorated sharply, however, with its UK sales plunging by 40.7 per cent in the first five months.

Motor industry leaders to seek government aid

By John Griffiths and Kevin Dona

MOTOR industry leaders, increasingly concerned at the absence of a revival in the UK's depressed new car market, are to seek further government support next Tuesday at their first meeting with Mr Michael Heseltine, Board of Trade president.

They are also expected to air their irritation over confusion created by conflicting UK and EC reports on differences in new car price in Europe.

Executives will use the meeting to stress their opposition to the recommendations of the Monopolies and Mergers Commission which wants the government to promote competition by unilaterally lifting the "voluntary" restraints which have restricted Japanese-built cars to 11 per cent of the UK market since the mid-1970s.

The industry group will comprise the chief executives of Ford, Vauxhall, Rover, Peugeot, and Mr Colin Hope, president of the Society of Motor Manufacturers and Traders. It will be meeting Mr Heseltine against the background of statistics showing that a 9.1 per cent sales upturn in April was not sustained. May sales were up only 1.4 per cent on a year-on-year basis, leaving the year-to-date total 5.3 per cent lower than the equivalent, severely depressed 1991 period.

The gloom is underlined by UK car production statistics released yesterday which show that output fell in May by 6.0

per cent, the second successive monthly fall, under the impact of a steep decline in output for export markets.

Mr Ian McAllister, Ford of Britain's chairman, said the expected post-election sales upturn "has not materialised" and warned that unless there is a marked recovery in August - when new registration plates are introduced and which normally accounts for more than 20 per cent of annual sales - this year's market could be 36 per cent below the 1989 record of 2.3m units.

The industry delegation is also likely to seek to put pressure on Mr Heseltine to complete the abolition of special car tax - it was cut to 5 per cent from 15 per cent in the Budget - and take a more sympathetic view of company cars in a review of the taxation system.

They are expected to tell him that the industry is now ready to talk to the Office of Fair Trading about implementing some of the recommendations of the monopolies watchdog. The report identified a complex monopoly involving 24 car-makers and importers. Its report, however, rejected consumer group demands for the current system of franchised dealers to be scrapped.

However, a study published by the European Commission last month found price differences in some cases of more than 40 per cent, prompting a warning from Competition Commissioner Sir Leon Brittan that the industry must clarify its pricing if it wanted to retain exclusive distribution.

Police urged to privatise their routine traffic duties

By Alan Pike, Social Affairs Correspondent

PRIVATE security companies should take over traffic duties and some other responsibilities from the police, Mr David Fletcher, chief executive of the British Security Industries Association, said yesterday.

Tasks that could be contracted out to the private sector included using modern technology to detect speeding motorists, securing heavy loads on motorways and issuing firearms certificates, he said at a conference of the Association of Chief Police Officers (ACPO) in Eastbourne.

Mr Fletcher said the police had successfully handed over the enforcement of parking regulations to traffic wardens and private wheel-clamping contractors. An increasing number of specialist activities was carried out by civilians employed by police authorities, he added.

"I am sure that the trend for contracting out complete jobs will continue to grow further," he continued. "Only in this way can competition be brought in, with the resulting benefits of innovation and cost reduction."

Criminal records held on police computers should be opened up so that job applicants could be thoroughly vetted, Mr Fletcher added.

Mr Rodney Brooke, secretary of the Labour-dominated Association of Metropolitan Authorities, told the conference there was an urgent need to attack restrictive practices and to introduce accountability throughout the police service. It was also essential that the service was driven "not only by targets and consumer concerns but by the ethic of public service".

Some performance indicators being introduced to measure police efficiency could, warned Mr Brooke, skew services undesirably and confuse rather than illuminate public understanding.

Mr David Owen, chief constable of North Wales and past president of ACPO, said it was an oversimplification to suggest that traffic policing could be privatised. Motoring matters often involved other offences. He expressed concern about the growth of the private security industry which, he said, employed more than 250,000 people and was subject to few statutory controls.

Glaxo drug given health warning

By Paul Abrahams

IMIGRAN, Glaxo's migraine treatment, thought to have potential sales of \$1bn a year, is possibly dangerous in patients with certain heart conditions, according to the UK Committee on Safety of Medicines (CSM).

The committee, which advises the Department of Health, warned doctors that it had received 34 reports of patients who suffered pain or tightness of chest after being injected with the drug. Glaxo's shares fell 7p in a weak market to close at 71p.

In the latest issue of Current Problems, its occasional newsletter, the CSM said studies had shown Imigran might cause constriction of the coronary arteries. It called on all doctors to report adverse reactions to the drug.

The warning comes after a letter last month in the British Medical Journal described heart problems in two patients after being given Imigran. An average of 15,000 prescriptions a month had been recorded since the medicine was launched in September. The company started marketing an oral version in the UK this month.

Glaxo said yesterday clinical trials had demonstrated that the drug could have adverse

side effects in a small minority of patients. The number of adverse reactions reported by British doctors was not greater than expected. However, the company admitted it had received similar reports from other countries where the drug is marketed, although these had not been in significant numbers.

Imigran works by constricting the blood vessels in the brain, but there are fears it may act systemically throughout the whole body and could affect the heart.

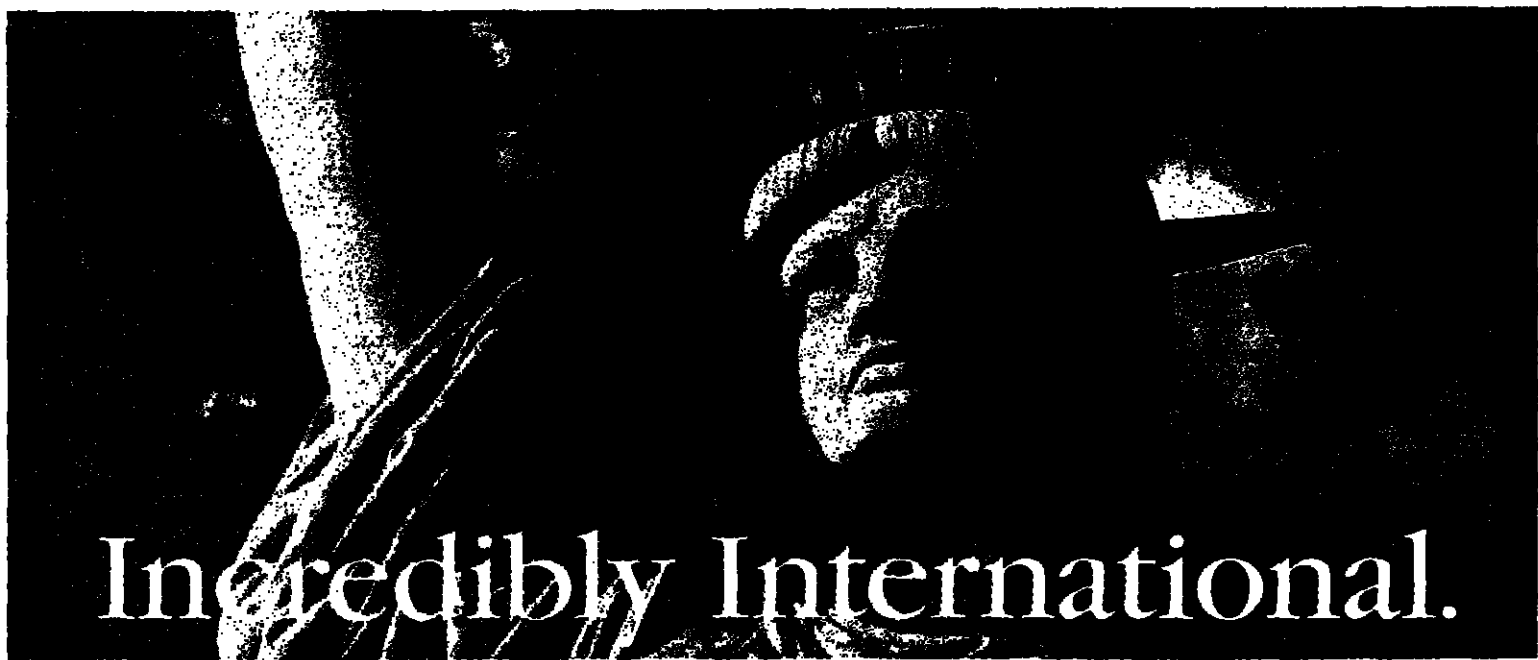
Although Imigran's sales during the past half year were only £13m, it is commonly described as one of Glaxo's three potential "block-busters" - defined as capable of generating \$1bn of sales a year.

One US analyst has estimated Imigran's sales could reach \$100m a year by the end of the decade. Others have recently scaled back their predictions, but nevertheless view it as highly important for the company's future.

Imigran is available in 18 countries, but its high price has caused controversy. French health authorities have refused to licence the drug because of its high price and safety fears. Glaxo claims there is no alternative effective treatment for migraine.



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NEWS: UK

CBI survey indicates economic recovery will be slow and lacklustre

Retail sales fail to lift gloom

By Peter Norman,
Economics Correspondent

FEARS grew yesterday that Britain's recovery from recession will be slow and uninspiring after a survey by the Confederation of British Industry (CBI), the employers' organisation, showed that retail sales had failed to sustain their post-election strength.

The CBI's distributive trades survey for May showed that retail sales increased compared with May last year, but the gain was modest and less than expected. Wholesale turnover was more buoyant, but increased optimism in this sector was offset by continuing gloom among motor traders.

The picture of a lacklustre economy was reinforced by

news of a 5.85 per cent annual decline in UK car output last month because of a sharp fall in export production. The reports helped depress share prices in London, where the FT-SE 100 index closed down 22 points at 2,514.1.

Mr Nigel Whittaker, the chairman of the CBI's distributive trades panel, said retail sales volumes had risen on a year-by-year basis in nine out of the past 10 monthly surveys. But the recovery was slow and gradual. "It looks as if the improvement in trade is more moderate than that seen at the start of the year," he said.

The survey's results produced some barbed exchanges in the House of Commons. Mr John Smith, Labour's shadow chancellor, said it showed "an

apparent post-election recovery has petered out already". By contrast, Mr Michael Portillo, the Treasury chief secretary, said it pointed to "a very strong improvement in business confidence".

Among economists, the survey increased concern that UK economic growth this year will fall well short of the 1 per cent gain forecast by Mr Norman Lamont, the chancellor, in his March Budget. Independent economists have been revising down their forecasts since last month's first quarter provisional gross domestic product figures showed that the UK was still in recession and have warned that growth this year could be either negative for second year running or close to zero unless consumption

revives strongly over the rest of 1992.

The CBI found that 45 per cent of retailers polled reported an increase in sales last month against 31 per cent who experienced a decline. The resulting balance - which indicates the trend - was 14 per cent compared with 20 per cent in April and lower than expected by retailers.

While sales of clothing, footwear and chemists' goods rose in May, the survey suggested that Britain's weak housing market was continuing to depress demand. Sales of furniture, carpets and electrical and other household goods fell last month compared with the previous year.

Lex, Page 18



Peter Lilley: Maastricht deal "gives us a good opportunity to shape Europe in the way we want"

Government avoids early showdown on Maastricht

By Ralph Atkins

THE government yesterday indicated that it was shying away from an early confrontation with Conservative Eurosceptic MPs over Maastricht by postponing any debate at Westminster until at least the autumn.

Amid a growing acceptance among Cabinet ministers that the government would lose a House of Commons vote on Maastricht at this stage, it emerged that prime minister Mr John Major's hint last week of a general debate before the summer recess is unlikely to be fulfilled.

Ministers admit that next week's Irish referendum, the Lisbon European Community summit later this month and the French plebiscite in September may lead to a substantial change in the government's position. So far it has urged publicly the ratification of the treaty without a renegotiation.

That reluctance to provoke a confrontation will be portrayed by Tory and Labour MPs as opposed to the treaty as a retreat. It will fuel speculation that ministers will eventually

admit the Danish referendum result requires a wholesale renegotiation, if not the dropping of the treaty.

Legislation ratifying Maastricht will not return to the Commons until October and possibly later.

After a week of feverish speculation at Westminster - not helped by the absence overseas of Mr Major and Mr Douglas Hurd, foreign secretary - the unease over Maastricht at every level of the Tory party has become more apparent.

In the Commons, Mr Tony Newton, leader of the House, responded to barbed questions from Euro-sceptics on the Conservative benches by emphasising the importance of the prime minister attaches to subsidiarity - whereby decisions are taken at the lowest appropriate level of government.

A public statement of support for the prime minister on Wednesday by Mr Peter Lilley, social security secretary, has not erased obvious differences of emphasis within the Cabinet. Mr Lilley said that the deal negotiated by the prime minister at Maastricht "gives us a good opportunity to shape Europe in the way we want".

Low growth rates forecast for Scotland

By James Buxton,
Scottish Correspondent

SCOTLAND is likely to have relatively low rates of economic growth over the next four years as North Sea oil output declines and the defence equipment industry contracts.

This is the conclusion of a study of the Scottish economy

by Mackay Consultants, economic consultants based in northern Scotland.

The study says Scotland's gross domestic product fell last year in real terms by 1.3 per cent to \$44.4bn, which includes \$5bn from Scotland's share of UK oil and gas production.

Excluding oil and gas, Mackay expects Scotland's

GDP to grow by 0.7 per cent in real terms this year, 2.4 per cent next year, 2.6 per cent in 1994 and 2.3 per cent in 1995.

If falling output of oil and gas is included, the expected growth in real terms is 0.6 per cent this year, 1.3 per cent next year, 2.2 per cent in 1994 and 1.8 per cent in 1995. The consultants say their growth fore-

casts for Scotland are below most forecasts for the UK economy over the same period. They say offshore oil output will fall by 6.7 per cent over the 1991-95 period and spending on defence by 12 per cent.

Prospects for the Scottish Economy, Mackay Consultants, Union Building, 15 Union Street, Aberdeen AB1 2BU, £100.

Britain in brief



Creditors seek state help on BCCI appeal

Creditors of the collapsed Bank of Credit and Commerce International are likely to seek international government support to provide financial assistance if their appeal to modify the provisional liquidation plan under consideration in the High Court this week fails.

The plan is being developed alongside a more aggressive stance being taken by creditors over the last few days, who were accused in the hearing of making their criticisms of the settlement "too little, too late".

The 8-person creditors' committee argues that the \$1.7bn compensation offer negotiated by Touche Ross, BCCI's liquidators, with the government of Abu Dhabi, the majority shareholder, is insufficient. A decision by Sir Donald Nicholls, vice-chancellor, is expected in the next few days.

The creditors are making plans to lobby senior diplomatic sources in all countries in which BCCI had significant assets or creditors, including the UK, the US and Abu Dhabi. They want to emphasise the moral side of their argument rather than focusing simply on litigation.

SFO defeats court ruling

The Serious Fraud Office has defeated a High Court ruling that threatened to limit its investigatory powers.

In an important judgment on the "right to silence", five Law Lords have upheld the SFO's claim that it has the legal right to continue questioning a suspect about an offence after charging him with it.

The Lords' decision involved an examination of the exceptional powers parliament has given the SFO, which remove from people questioned in connection with suspected serious fraud the right to silence enjoyed in other criminal contexts.

Airport traffic rises sharply

BAA, which owns most of the UK's big airports, had its busiest May on record helped by a sharp rise in European charter traffic and transatlantic travel. The company's seven airports handled 6.7m passengers last month, up 13 per cent on May 1991 and 5 per cent higher than in 1990.

BaE confirms job losses

British Aerospace, the defence equipment and aircraft manufacturer has confirmed plans to cut 730 jobs in its missile division. The jobs are to be lost at three factories in the company's Dynamics division - 120 at Bristol, 150 at Bolton and 450 at Stevenage, Hertfordshire.

Bomb alerts on Underground

Bomb alerts yesterday forced the closure of the London Underground system, creating chaos during the evening rush-hour and long delays for commuters.

The alerts followed an overnight explosion in Victoria Street near the Houses of Parliament which police are treating as the work of IRA terrorists. Nobody was injured in the blast.

Assurance on milk prices

Seven leading dairy companies have given assurances to the Office of Fair Trading not to engage in restrictive practices to fix the price of doorstep milk or collude in tendering for milk supplies.

This is believed to be the first time the OFT has sought voluntary undertakings from companies instead of referring them to the Restrictive Practices Court. The OFT said it wanted to avoid court proceedings because of the large costs involved.

Swedish group closes UK mill

SCA Enrollner is closing its paper mill at Feniscowles, Blackburn with the loss of 180 jobs. The company, a subsidiary of SCA, the Swedish group, said the factory's long-term trading position had been undermined by the high cost of waste paper in the UK compared with continental Europe. The plant, which will close in September, makes corrugated case materials.

Last month, the British Paper and Board Industry Federation warned that the UK's paper industry risked destruction from imports unless its raw material costs are reduced through increased recycling. Raw material costs are between 300 and 400 per cent higher than in Germany, it said.

Boost for chemical sector

Trading conditions in the UK chemical industry have improved noticeably during the first quarter, according to Trade Indemnity, the credit insurance group.

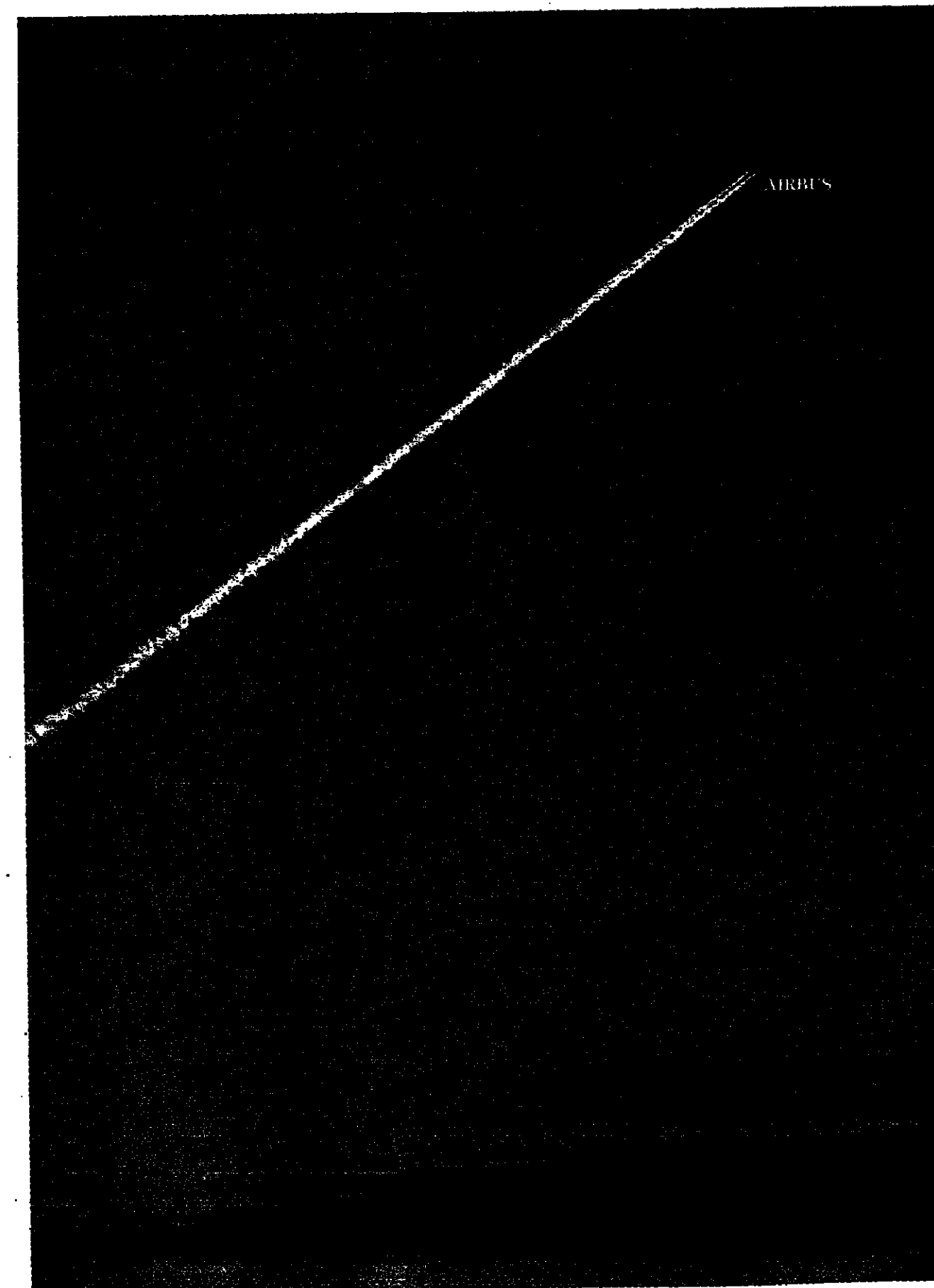
The improvement has been driven by exports and is in spite of depressed domestic market.

More than 25 per cent of UK chemicals companies are still working below capacity, but about a third expect an improvement in output over the coming months. Any recovery is likely to be no greater than 2 per cent, warns Trade Indemnity.

French antique fetches £1.21m

A neo classical bureau plat, made by Jean-François Lelou in Paris in the early 1770s, sold for £1.21m at Christie's in London. It was part of the collection formed by Barbara Johnson, who married in to the American baby powder family. She is selling off some furniture to raise money for commercial projects in her native Poland.

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THE PROPERTY MARKET

Doing it the Coin Street way

By Vanessa Houlder

London's least conventional property development occupies one of the capital's most promising sites: a sweeping bend of the Thames with magnificent views stretching from Parliament to St Paul's.

Tucked in between the towering offices of Shell, IBM and Sea Containers on one side and the grey bulk of the Royal National Theatre on the other, is a complex comprising a park, low-rise housing, off-beat craft shops and restaurants.

Its centrepiece is a South Bank landmark, a tower with intricate motifs spelling out the word Oxo - a reminder of the days when the tower was a distribution centre for meats products including Oxo. Beneath the motif flaps a banner with the words "GLC working for London. Welcome to Coin Street. Homes and Jobs. A community victory."

This relic of the long-gone Greater London Council flutters atop an apparently derelict building continues to attract attention from developers jealously eyeing what is undoubtedly one of London's best sites.

For sure, the 5.5 hectare site is accustomed to attracting attention. In the late 1980s, it was the subject of a controversial and bitterly-fought planning battle.

After two public enquiries, property developers Greycoat, which wanted to build 1m square ft of office space on the site, threw in the towel in 1984. The site was then sold by the GLC to a co-operative of community builders - the Coin Street Community Builders (CSCB).

for £1m, perhaps half its value, just days before the Tory government acted to curb spending by the GLC before its eventual abolition soon after. Instead of office blocks, the new owners let it be known that the site would be used for parks, affordable housing and workshops.

Nearly a decade on, Coin Street and its relationship with the rest of the South Bank is at a turning point. Stamford Wharf, the building that bears the Oxo tower, is to be redeveloped.

By autumn 1993, Coin Street Community Builders hope to turn Stamford Wharf into a complex of cafes, restaurants, performance and exhibition spaces, rented housing and craft workshops. The developers hope to produce a genuinely mixed-use development for Stamford Wharf, ensuring that the vitality of the area does not ebb away in the evenings and at weekends.

The Coin Street developers say they have secured the necessary £20m of funds from a mix of public and private sources and contracts have already been put out to tender. If the scheme does proceed to plan, it will be a notable achievement in an area where other regeneration plans - the South Bank arts centre

for instance - are on hold, victims of the recession.

The aim of all developments in the area has been to enhance the South Bank, for long the poor relation of the north side of the Thames. The siting of County Hall and later, the Festival of Britain, on the South Bank were previous attempts to correct the imbalance. Indeed, Coin Street was originally mooted to reverse the area's declining residential population, which shrank from 50,000 in the 1930s to 5,000 by the 1970s, the consequence of floods, bombing, the disbandment of wharves and relocation of industry.

Coin Street has been the subject of planning arguments since the early 1970s when Heron Corporation proposed building Europe's tallest hotel on the site. A combination of developers' ambition and neighbouring councils' high rates and insistence on socially desirable but financially unviable schemes blighted the area for years.

Local residents set up in 1977 the Coin Street Action Group, having earlier established a housing association to make available low cost housing. CSCB decided from the outset to develop the site in

phases. Instead of hiding the development sites behind corrugated iron, it put the land into temporary use as parks and car parks. The most imaginative temporary project is Gabriel's Wharf, where the developers erected garages, painted a backdrop of mock Georgian facades and installed craft workshops.

Work on redeveloping Stamford Wharf is due to start in the summer. Thereafter, a plot of land near Waterloo has been earmarked for housing and an exhibition centre.

Clearly the action group - which includes printers, pensioners, a docker, a deliveryman and a telephone - is doing it its own way. "Coin Street. There is another way..." is CSCB's slogan - a reference to the character, mix and management of the developments.

To bring the 'alternative' nature of the project home, the riverside park has been renamed after one of the area's toughest campaigners against office development. "London needs another office block like it needs another plague," reads a poster in the community group's headquarters.

Yet the community group's opposition to the development of more offices in London, which it argued passionately in the public enquiries of the early 1980s, is misguided. Contrary to CSCB's predictions, an acute shortage of modern offices arose in London in the mid-1980s.

However, the virtues of the Coin Street scheme are only too apparent. Plastering London with office blocks has been shown to make little sense.

Mr Iain Tuckett, Coin Street's

company secretary, says the Coin Street experience shows that there is huge scope for community groups to determine the kind of development they want in their area. "The private market will do what is most profitable, that is its job. The public sector will fill in the worst gaps. There is a huge middle area," he says.

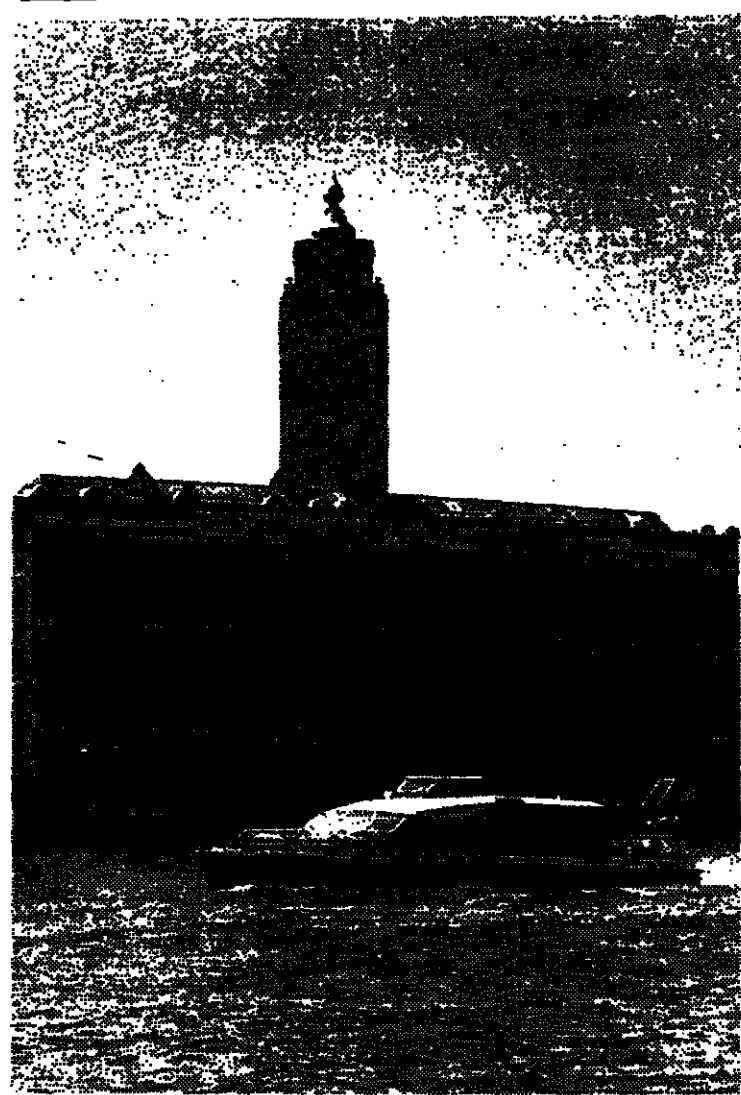
He maintains that the Coin Street activists, far from being woolly-headed idealists, have succeeded where others failed. "No one else could persuade local authorities, government and banks to chip in. The public and private sector could not do it for 30 years," he says.

But the notion that Coin Street is blazing a trail that could be widely followed is probably wrong. The area had extraordinary advantages. With GLC backing, the group was able to buy the site cheaply, covering its interest costs from income from the car parks to the back of the South Bank.

As well as providing comfort for its bankers, this income has allowed the group to subsidise its housing programme. Also, proximity to one of the most famous art complexes in Europe gives a huge boost to local shops and restaurants.

Yet despite its alternative image, Coin Street's approach has more in common with other developers than might be expected. Mr Tuckett says that the experience of two enquiries and constant surveillance of developers' plans taught CSCB some of the tricks of a developer's trade.

Certainly the absence of the profit motive creates an important difference between Coin Street and other developers, says Mr Tuckett. But a profit-free environment hardly makes the Coin Street developers a soft touch, says Mr Tuckett. "We are commercial, we have to be commercial," he adds.



Premier riverside site: the Coin Street plot on the South Bank

	CAPITAL GROWTH (%)			
	Retail	Office	Industrial	All Properties
Year to April 92	-1.0	-13.4	-0.9	-6.9
Quarter to April 92	-0.2	-3.9	-1.7	-1.9
Month of April 92	-0.1	-1.0	-0.5	-0.5

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HEILIGENDAMM COMPETITIVE TENDER

Jones Lang Wootton GmbH, International Property Consultants, has been commissioned by the German state of Mecklenburg-West Pomerania to organise the sale by competitive tender of various properties situated in the Baltic spa of Heiligendamm.

Heiligendamm lies on the Baltic coast halfway between the Hanseatic towns of Wismar and Rostock. Founded in 1793, it is one of the oldest and historically most important spas of its kind.

The properties for which bids are invited include a lot of approximately 15 buildings listed for preservation forming an ensemble built in the classical style, plus a number of other individual buildings. The ensemble, situated directly on the Baltic shore, consists of three main buildings plus a chain of smaller villas. The main buildings are at present being used as health center, but can be made available at short notice for other purposes. An adjacent, largely undeveloped site with an area of approximately 400 hectares is also available.

This public tender represents a unique opportunity to redevelop and upgrade a traditional exclusive resort on the German Baltic coast. The objective of the public tender is to revitalise the economy of Heiligendamm.

Excerpt from the Conditions of Tender

1. The State of Mecklenburg-West Pomerania is legally authorised to dispose of an ensemble of various properties in the Baltic spa of Heiligendamm and intends to sell these properties together with an adjacent site, by competitive tender to a bidder submitting a suitable usage concept.
2. The tender is public. Any person (applicant) is entitled to submit a bid.
3. The State of Mecklenburg-West Pomerania in collaboration with the municipality of Bad Doberan will take the following items into consideration in reaching a decision on the sale:
 - a) the submission of a suitable concept for the use of the existing buildings and undeveloped area;
 - b) the bid price;
 - c) the number of jobs safeguarded and created;
 - d) the investment commitments entered into.
 The items listed above constitute an integral part of the bid. The authorities responsible for the decision are not obliged to accept either the highest bid or any bid at all.
4. Interested parties are requested to apply for information on the buildings and area which are the subject of the tender. The full terms of tender are available from Jones Lang Wootton. Brochures giving detailed information on the location and the buildings can be applied on payment of a nominal fee.
5. In cases where claims for restitution have been filed, the sale will be subject to the consent of the authorised person or, alternatively, to a decision in accordance with § 30 VerwG or § 2 BVerfG.

Further details of the tendering procedure and the tender documents can be obtained from Jones Lang Wootton GmbH, Postfach 10, 2000 Hamburg 36, Postfach 10, Hamburg 36, Germany. Please call Germany +49 40 590011-0.

Jones Lang Wootton GmbH
 Hamburg 36, Germany
 Tel: 040/3500110

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MANAGEMENT

Grounds for optimism stir in Hungary

Guy de Jonquière looks at the experience of one US consumer products group in eastern Europe

WHEN Robert Combée took over as head of Compack, Hungary's largest coffee and tea company, he was ready for almost anything. But nothing had prepared him for adventures in the skin trade. Hidden in Compack's balance sheet and stored all over Hungary were huge piles of rotting animal skins.

They had been imported from Russia, apparently with some assistance from the KGB, by the company's former accountants, who had hoped to make a quick profit by turning them into furs.

"There were thousands of tons of the things, and they stank like hell," Combée says. After the failure of several ingenious attempts to smuggle the putrefying hides back into Russia, he eventually off-loaded them in Romania and the Ukraine.

The bizarre and the unexpected have become routine for the fast-talking 47-year-old Dutchman since he arrived at Compack 15 months ago, shortly after the company was acquired by Sara Lee, the US consumer products group.

His exploits, shared with seven expatriate colleagues of various nationalities, are a vivid case study of the experiences - good and bad - which can await western companies acquiring in central Europe.

Compack is a rare example of a central European company with a strong brand identity. It also has a willing and hard-working staff of 1,300. In most other respects, however, its business has had to be rebuilt from scratch.

"Things like job descriptions didn't exist, and there was no wage

structure," says Combée. "Though people in Hungary study marketing, what counts is experience, and nobody here has it."

Among the assets inherited from the past were large stocks of surplus tea from Vietnam - the result of an earlier barter deal - and a vast tea-drying machine. "It was unbelievably complex and big enough to serve half of Europe," Combée says.

After clearing these out, he set about recruiting salesmen. Advertisements were placed in the newspapers, but because the concept of selling was almost wholly unknown in Hungary, they drew a very mixed response. Eventually a 40-member sales and merchandising team was assembled, many of them existing Compack employees.

The next challenge was training. Since Combée speaks no Hungarian, his first idea was to hire English-speaking local academics and get a western specialist to teach them how to train.

But advertisements attracted only two candidates. "The younger of them was aged 85 and they both

had Karl Marx University printed on their cards," he recalls. Trainers were eventually found and today, Compack's fledgling sales force is out on the streets in smart new vans. What they lack in experience, they make up for in enthusiasm: one saleswoman who had difficulty meeting her quota got her husband to help out at weekends.

Compack has also had to train its retail customers. Merchandising experts have been drafted in from Douwe Egberts, Sara Lee's Dutch coffee subsidiary, to instruct shopkeepers in basic techniques such as shelf management, stock control and modern financial accounting.

Simultaneously, the company's product range is being re-launched, backed by a television advertising campaign. Packaging has been redesigned to incorporate the name of Douwe Egberts while retaining Compack's Omnia brand name and its familiar coffee bean symbol.

The introduction of western marketing techniques has not gone altogether smoothly, however. Compack's attempts to sell direct to

retailers and to increase prices have led to bruising confrontations with the Fisker, the state-owned wholesaler which still control much of the grocery trade.

Combée hopes the problems will diminish as Hungary's growing numbers of supermarkets set up their own warehouses and distribution systems.

However, the biggest headache has been a sharp fall in domestic coffee sales, about 40 per cent of which have been replaced by smuggled imports. These have been encouraged by a steep rise in duties and taxes which today account for half the retail price of coffee in Hungary, making it among the most expensive in Europe.

Compack recently secured a small reduction in taxes. However, with coffee sales still in the doldrums, the company has been forced to make up the lost revenues by expanding its other businesses.

In less than a year, it has launched and re-packaged about 50 items, including new brands of tea, insecticides, a range of baby care products and spices and mixes. "I



Robert Combée: "What counts is experience, and nobody here has it"

don't think you can find any western company which introduced so many new products in such a short time," says Combée. The new lines, mostly imported from other Sara Lee subsidiaries, may be produced in Hungary in future.

At present Compack has annual sales of about Ftbn (\$2.9m). Combée, who previously worked for Heineken, the Dutch brewery, will not disclose profit figures. But he says returns on investment are higher than at Heineken, though

still below Sara Lee's standards. The focus now is on improving Compack's operating efficiency. Two of its six factories have been closed, and the remaining plants are being reorganised and automated.

Accounting systems are being modernised and an outside consultant is drawing up formal job descriptions and wage structures.

One of the most positive surprises was the advanced state of Compack's computing systems when it was acquired. Protected by western export controls from buying modern mainframe machines, the company's staff developed highly sophisticated information systems based on personal computers.

But despite all this technical wizardry, Compack's productivity remains handicapped by heavy over-manning at its head office in Budapest, which employs more than 350 people. Combée says the numbers must fall dramatically, though he aims to phase cuts in gradually to soften the impact on morale.

For all the ups and downs of the past 15 months, he has no regrets. "Why did I do a job like this? It's the adventure. When I go into supermarkets and see all those products which are my babies, I get very excited."

However, what he calls the "skins problem" and other unedifying discoveries about Compack's affairs have left him decidedly cautious about further acquisitions. "If we saw an opportunity here which looked attractive, we would think twice. Given our experience, we would be a lot more careful."

Christopher Lorenz considers how to get more out of alliances with Japanese companies

When friendship proves to be all one way



For virtually a decade, western companies have been hell-bent on making "strategic alliances" with Japanese companies, often with ones which are their rivals. For almost as long, they have been warned repeatedly by consultants and academics that they are putting themselves at a potentially lethal competitive disadvantage by allowing the Japanese to extract more value from the relationship than they do themselves.

A few companies have paid heed. In the US, electronics manufacturers have taken various steps to learn more from their Japanese partners; Motorola did an unusually well-constructed deal with Toshiba in 1987 which benefited its semiconductor memory business.

At the same time, these companies have protected their own core competences - such as Motorola's skill in microprocessor technology

- more effectively than in the past from being annexed by their Japanese partners. In Europe there are signs that Philips has learned the same lesson.

But far too many western companies still see alliances in defensive terms - merely as a way of filling short-term gaps in their product range.

Far too few emulate the Japanese in seeing them as an opportunity to extract technology, marketing skills, or other kinds of learning from their partner.

The continuing gulf between attitudes to alliances among Japanese and most western companies was all too evident from several papers presented this week at an international academic conference on the globalisation of Japanese enterprises.

Held at the Manchester Business School and organised by the North West Centre for Japanese Studies, the conference was attended by a large audience of leading Japanese, American and European academics, as well as business executives.

There were few issues on which there was a consensus. But they did agree that one of the west's fundamental problems is that learning from outsiders is far less deeply rooted in western society and business than in Japan. Hence the importance of the concept of "organisational learning" which is now sweeping American and European industry.

The point was put most forcefully by a professor from Auburn University, Alabama. He declared that American companies quite simply fail to perceive alliances as

a form of learning. "We don't understand the importance of the technology we give up. Hence the generally one-way flow of it to the Japanese."

His comments were reinforced by a controversial study of electronics industry alliances undertaken by a Manchester School of Management academic, Fred Burton, together with a colleague from the University of Boston.

They looked at 208 alliances forged between 1978 and 1987 by seven top Japanese companies, and concluded that the relationships were not working to the advantage of western companies.

Not only was there very little east-west transfer of technology (as distinct from components or prod-

ucts), but the Japanese companies were reluctant to encourage such a flow.

As a result, complained Burton, western companies were becoming increasingly dependent on the Japanese.

The latter, on the other hand, were reducing their dependence on western partners, either by absorbing their skills, or by concluding temporary alliances with several of them at once.

Given the emotive nature of the subject matter, it was fortunate that a paper by a team of Japanese, rather than western, researchers gave the conference the most searching exposition of the way Japanese companies use alliances for what the academics called "inter-organisational learning".

They also redressed the balance somewhat by pointing to a handful of alliances, especially in the semiconductor industry, where the benefits do seem to be reciprocal. In particular, technology transfer is flowing at least partly in the reverse direction, from Japan to the west.

In information technology, and especially in semiconductors, Japanese companies see alliances as a way not only to make up for a company's lack of technology, but also to help accelerate the development of whole new industries, the researchers reported.

Outlining various levels of inter-organisational learning, they christened one type "strategic". But one researcher said revealingly that this could also be termed "value appropriation" from the alliance to its parent partners (or, presum-

ably, to just one of them). Even more important, the researchers added, is the experience of "learning how to learn" which companies can gain through alliances.

The daunting nature of their message for the west was pretty clear from their brief verbal presentation at the conference. But anyone still in doubt needed only to look at the penultimate paragraph of their written paper. It read thus:

"The following words in [an] interview with an NEC director... pointed out a new direction of alliances as inter-organisational learning: 'Alliances with AT&T have led to large technological effects through co-development with Bell Laboratories. Overlying the technological effects, however, the most important effect that we could learn was how Bell implements its research'."

Quite so. It may already be too late to be worth saying this, but far more western companies need to go out and do likewise.

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TECHNOLOGY

If you've just bought a new television set with a 36-inch square screen to show off to the neighbours, you're out of luck. Consumer electronics manufacturers say that the latest hot product is wide-screen TV. As the name implies, it offers pictures that are much wider than deep.

Many European manufacturers, and the Japanese in their home market, have introduced wide-screen TVs in the hope that the premium prices which the new technology commands will boost their profits.

"This is the biggest step for television since colour was introduced," says Timo Ellila, TV product group manager of Nokia, the Finnish electronics group.

Consumers, however, are being told that wide-screen TVs are desirable not only because they are eye-catching and different, but because they are more natural. "Humans have a horizontally-oriented field of vision," says Philips, the Dutch electronics manufacturer.

Gravity also plays a part. Because it holds us to the surface of the Earth, everyday activities usually take place along a horizontal plane.

Wide-screen makers also believe the shape of the screen will appeal to viewers who enjoy the cinema, where the screens are generally wider than high. They claim this type of screen offers more involvement for the audience.

Whether or not wide-screen TV is really more natural or dynamic, there are advantages to a wider format. For example, the wide screen is better suited to transmitting films on to television. Given that films make up as much as 70 per cent of television output at peak periods, this is no small advantage.

Television has had a roughly square-shaped screen for as long as it has been in the home. The screen aspect ratio - the relationship between the width and the height of the picture - has been 4:3. In other words, the screen width of a conventional set is only 83 per cent more than its height.

By creating an aspect ratio of 16:9, wide-screen TV can be more faithful to the original film. The wider aspect means that the width of the screen is nearly 80 per cent greater than the height. The 16:9 ratio was chosen because this is the most commonly used aspect in the cinema, according to Philips.

The new technology will operate on the D2-Mac standard for satellite broadcasts agreed by the EC. The standard is an interim stage in the move towards full HDTV. It gives clearer pictures than the conventional Pal standard used in Europe but is inferior to HDTV.

The main difference between D2-Mac and Pal is that while Pal transmits colour, brightness and sound



Wide-eyed at the view

A new type of television is taking shape, writes Michio Nakamoto

signals simultaneously from the broadcasting centre to the TV set, the Mac system - both D2-Mac and HDTV for full high-definition TV transmits them sequentially.

The simultaneous broadcast of colour and brightness can cause complicated patterns, such as tar-tans and checks, to become distorted. Mac broadcasts overcome the interaction of these signals by transmitting them consecutively, which provides clearer pictures. It does so by using advanced digital

technology called "time division multiplexing".

Wide-screen TV pictures also have more picture elements, or pixels, which make them brighter and sharper. While today's TV pictures have 120,000 pixels, wide-screen TV pictures broadcast in D2-Mac will have about 180,000 pixels, or 50 per cent more. HDTV, meanwhile, will have about 700,000 pixels. Sound on D2-Mac broadcasts is digital, and the system is capable of carrying eight soundtracks for every channel. This allows for multi-language translations.

Manufacturers are confident that the wide-screen format will eventually become the norm. The problem is that few programmes on TV are made to suit the wide screen. In continental Europe there are about 10 channels transmitting programmes in wide-screen style.

In the UK, BSkyB, the satellite broadcasting company, has been working on a test wide-screen channel but has yet to announce when it

will start transmitting in the new format. Despite the spread of satellite TV most viewers in Europe still receive conventional broadcasts, which use the Pal system.

The Commission is committed to providing funds to encourage broadcasters to switch over to D2-Mac. In the meantime, those who are eager to test the new technology can buy a wide-screen TV and watch conventional 4:3 programmes. Since the transmission will not fill the entire screen, black bars - which now often appear when a film is broadcast on TV - will fill the sides of the screen which are not used up.

To overcome the problem, manufacturers have introduced a "movie expand" feature which widens the picture until it fills the screen. This has drawbacks too because it crops off part of the top and bottom of the picture.

Another problem is that the wide format is only impressive if viewed on a large screen. Manufacturers say they are unlikely to bring out sets below 24 inches in size, which means they will remain at the high end of the market.

Wide is beautiful not only on the screen but for amateur photographers as well, judging from the popularity of cameras that shoot pictures several times wider than are high. Although first introduced about three years ago by Kodak as a disposable camera, the wide-angle camera has become so popular in Japan that manufacturers have introduced compact cameras made specifically to take only wide-angle pictures.

Canon, Minolta, Olympus all have their version of wide-angle compact cameras, which are known in Japan as Panorama cameras. The cameras use conventional 35mm film but the trick is to use a wide angle lens and a masked film. Instead of filling up the whole film, a photograph taken with a panorama camera uses just the centre half of the film by masking parts of the top and bottom sections. Although a roll of 36 shots will produce all 36 pictures the resultant negative will be

smaller than a conventional one. The negatives are then printed on a wide photograph format. But since they need to be enlarged considerably the end product is fairly grainy.

Panorama cameras have become such a hit in Japan that camera manufacturers have had to produce panorama adaptors that fit on to normal cameras to give the same effect, says Jonathan Brandon at Canon UK. "It looks very impressive for landscapes."

Worth Watching · Paul Taylor

Tiny chip packs a mean punch

Memory chips produced early in the next century will be able to store more than 4bn bits of information - that's 250 times greater in storage capacity than today's biggest chips.

The sweeping pace of miniaturisation, along with reductions in the cost of computer power, has led IBM research scientists in Yorktown Heights, New York, to build the world's smallest transistor.

Using electron-beam nanolithography fabrication techniques the chip's active area measures just 1/75,000th of the cross section of a human hair.

Previously, the smallest transistor in existence was 20 times larger in area. And, according to the researchers, these new transistors can be reduced further in size by a factor of two. IBM: US, 914 945 3884.

Star-Track's next great adventure

Lorry thieves watch out. A stolen vehicle can now be spotted by a satellite orbiting thousands of miles above the earth. As the vehicle moves away from the scene, an alarm sounds at a control base and an operator can guide police to the lorry's location as it moves across a digital map display.

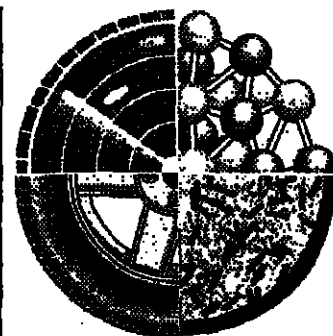
Star-Track, a new vehicle fleet management system launched by Marconi Systems Technology, of Hampshire, gives fleet operators real-time information about their vehicles' location and performance.

The system comprises a base control station with a map and data display screen listing details of up to 30 vehicles, each of which is fitted with a box smaller than a car radio which contains a satellite navigation receiver, communications modem and interface for a range of on-board sensors. Marconi Systems Technology: UK, 0705 260024.

Hard disk resists shock treatment

Until quite recently hard disk drives were not only big, bulky and heavy, but also sensitive to shocks which made them unsuitable for many hand-held electronic devices.

Now Hewlett-Packard has



introduced a shock-resistant mini hard disk, dubbed the HP Kittyhawk Personal Storage Module (PSM). The Kittyhawk is a 1.3-inch hard disk drive capable of storing 21 Mbytes of data in a device the size of a matchbox.

Aimed at mobile applications like palmtop computers, electronic instruments, communications and imaging devices, the PSM can withstand an operating shock of 100g. Today's 1.5-inch and 2.5-inch disk drives can only handle shocks of between 10g and 20g.

The drive incorporates an integrated circuit based on the same technology used in cars to sense collisions and trigger air bags. As a result the PSM can sense and brace for a shock before it occurs, keeping data safe.

The device will compete with solid-state technology storage devices like flash memory, but cost only about a fifth as much. Hewlett-Packard: US, 208 323 6000; UK, 0344 361419.

A clear sense of direction

Pity the tourist struggling to read a street map in the wind, or the telephone engineer trying to understand cable diagrams at the bottom of a maintenance pit.

British inventor Jeffrey Woolf has come to the rescue with a hand-held plastic viewer which can be loaded with shrunken credit-card-sized maps or diagrams.

Known as the MicroMap, the viewer has a self-adjusting magnifying glass which keeps the map in focus no matter what the viewing angle. It can also be fitted with tiny glowing "beta" lights for illumination.

His company, Cascade Corporation, is looking for manufacturers to license the invention. Cascade Corporation: UK, 071 233 6788.

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As a meeting of the Board of Directors held today, the following resolutions were declared:

ORDINARY SHARES
A quarterly dividend of eight cents (8c) shall be paid on the ordinary shares of the company on or about July 15, 1992, to the holders of record of the shares as of June 24, 1992.

PREFERRED SHARES
The annual dividend of \$0.02 per Canadian dollar preference share and 2 1/2 cents per share on the 1992 dividend shall be paid on or about July 15, 1992, to the holders of record of the shares as of June 24, 1992.

BY ORDER OF THE BOARD: M. J. DEKOR, SECRETARY, June 11, 1992

ART GALLERIES

MARTIN GREGORY Paintings of the China Coast 1780-1800, until 3 July, 34 Barb. Ct. St. James's London SW1A 1UL Tel: 071 838 5731

KUNSTMUSEUM UND KUNSTHALLE Basel/Schweiz: Transform Picture Object Sculpture in the 20th century 14.6-27.6.1992 Daily 10-17 h

OBITUARY

Dharam Hinduja
14.11.1909 - 19.5.1992

The Hinduja family gratefully acknowledges the many friends and associates who kindly sent messages of sympathy on hearing of the disappearance on the 13th of May, 1992 and the subsequent tragic death on the 19th of May, 1992 of Dharam Hinduja, only son of Madan and Sanchand Hinduja.

Dharam, 22, was a charming and accomplished young man - courteous, devoted and highly intelligent. He impressed everyone with his leadership qualities and was highly inclined towards spiritual values. Dharam was the darling of the family and a great human being.

This sudden loss leaves a void in our lives that will never be filled. There does not seem to be any purpose to what has happened. We can only attribute this great tragedy to the strange workings of fate. Everything is in the hands of God and we must place our trust in Him.

Dharam is sorely missed and deeply mourned. We have been most touched by the many letters of sympathy and the tributes to Dharam that we have received.

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PEOPLE

FKI reshuffle

Bob Beeston, new chief executive at engineering group FKI, has reorganised the management structure and brought in two of his former colleagues from BTR. The industrial conglomerate, at the same time, Alan Barber, a main board director primarily responsible for the UK operation, has resigned. A reorganisation into five main divisions centred around products and markets, rather than geography, meant Barber could not be offered a job of the same status, the company said. His departure represents a weakening of ex-GEC links at the top of FKI.

The new divisional heads, none of whom joins the main board, include two of Beeston's former colleagues from BTR. Robert Sook will head material handling and Bill McClure comes in as group controller under the finance director. They will bring "some of the discipline on profit planning that we had at BTR", Beeston said yesterday.

The other new divisional heads are: Joe Withers, hardware; Richard Jones, automotive; James Bockett, engineering; Barry Jameson, process control. Steven Jones becomes director of corporate planning.

European connection

Peter Walker, the former Conservative cabinet minister and now a life peer, has added the chairmanship of Cornhill Insurance to his list of boardroom responsibilities, reviving an insurance connection which stretches back to the early 1950s.

Walker made his debut in the City as an insurance broker, forming Walker Young, which eventually became part of the Sedgwick Group. The appointment is also an appropriate one bearing in mind Walker's pronounced European sympathies. Germany's Allianz, Europe's biggest insurance company, took over Cornhill in 1986. Indeed, as chairman of Thornton Invest-

ment Management, now part of the Dresdner Bank group, he already has another introduction to Allianz which is a significant Dresdner Bank shareholder.

Walker, who will head a seven man German-style supervisory board, takes over from Cecil Burrows, 70, who has been with Cornhill since 1938 and chairman since 1988. Walker is not promising any fireworks but some steady expansion could clearly be on the cards. Since 1986 Cornhill's share of the UK general insurance market has remained stubbornly low at around 3 per cent. The formidable German company is not normally content to play a minor role.

Financial moves

Wallace Stein has rejoined the board of FORWARD TRUST GROUP. He had left FORWARD for BALTIMORE, where he became md of Baltic Asset Finance and a director of Baltic plc.

Richard Raeburn joins KPMG MANAGEMENT CONSULTING as partner in charge of treasury consulting. A Simon Joyce has been appointed divisional director of the Yorkshire operation of CAPEL-CURE MYERS CAPITAL MANAGEMENT.

Paul Turtle has been appointed md of TYNDALL & CO. LTD, the deposit-taking bank of Jupiter Tyndall Group. Jack Miller becomes director and head of treasury. Peter Farrelly, director of S.G. Warburg Group Management, becomes a non-executive director.

John Callender is appointed md of BARCLAYS MERCHANTILE BUSINESS FINANCE following the retirement of Brian Hassell.

Nicola Brandolini has been appointed md and head of UK and European institutional equity sales at LEHMAN BROTHERS INTERNATIONAL. David Book has been made md with responsibility for government advisory and emerging markets.

Bob Pennells has joined POSTHORN GLOBAL ASSET MANAGEMENT as a principal and head of equities. He joins from Hill Samuel Investment Management where he was head of international equities.

Kingfisher flutters European wings

The Kingfisher retailing conglomerate appears to be giving its focus for overseas expansion by yesterday appointing one of its leading international development directors.

He is Jim Hodgkinson, 46, a dynamic, straight-talking executive who helped develop B&Q into a strong market leader in the DIY field.

For several years, Kingfisher has been investigating the possibilities of expansion in mainland Europe, in the electrical

retailing and DIY markets in particular, but has so far been frustrated through lack of suitable acquisition opportunities.

"We have been looking at Europe in our spare time so to speak and we did not think that was sufficient to drive the process", the company said yesterday.

Hodgkinson will relinquish the post of deputy chairman and chief executive at B&Q to take up the new post but will remain on the company's board as a non-executive director.

His new job notwithstanding, he still intends to fulfil a long-held desire to retire at 50 and spend the considerable wealth he has amassed in a varied business career.

His move neatly solves the succession question at B&Q as it makes room for Alan Smith, currently managing director of Superdrug, to take on the top role. Smith will temporarily be replaced at Superdrug by Woolworths property director Roger Jones until a full-time successor is found.

Trading places with LDC debt

LDC debt trading being a small - if not necessarily cosy - world, it should be no surprise that Paul Luke, formerly economic adviser at Chartered WestLB, has turned up at Morgan Grenfell working for Rick Heller.

The two know each other well from their days at consortium bank Libra.

The puzzle is rather that Luke did not come earlier. For when Libra was wound up in 1986, most of its LDC debt trading operation, under Heller, moved to Morgan Grenfell. Luke, however, considered joining Morgan "the easy option" and decided to "save the umbilical cord", moving to the Standard Chartered/WestLB joint venture. There he fitted into another team who had left Libra in 1987 to join Standard Chartered.



Two years on, it is not so much that Chartered WestLB has failed to make its mark in the LDC field. Morgan Grenfell Debt Arbitrage and Trading (MGDAT), where Luke becomes a director and head of research and investment strategy, has simply done a lot better - contributing healthy profits last year where other traditional parts of Morgan Grenfell have been less successful.

MGDAT is now ranked fourth in the world after three big American banks, and turnover in the first five months of this year (at over \$200m) has exceeded that for the whole of 1981 at Luke's former stable (\$16.5m), he says.

"A self-confessed professional Welshman", Luke expects his old employer to be concerned principally with the loss to the newly formed rugby team, the Chartered WestLB Bears, of its captain.

Chartered WestLB's new economic adviser is Peter West, who joins from the United Nations Commission for Latin America and the Caribbean after a varied career specialising in Latin America. "He has on-the-ground experience which Paul did not", says managing director Peter Sargeant.

FT LAW REPORTS

Debtors can claim for BCCI set-off

MS FASHIONS LTD AND OTHERS v BANK OF CREDIT AND COMMERCE INTERNATIONAL SA
Court of Appeal
(Lord Justice Woolf and Lord Justice Scott)
May 22 1992

JOINT DEBTORS under a charge to an insolvent company in liquidation can proceed against it to ascertain whether the set-off of mutual debts as between one of their number and the company under the Insolvency Rules is effective to reduce their joint net liability.

The Court of Appeal so held when allowing an appeal by prospective plaintiffs, MS Fashions Ltd, MS Fashions (Wholesale) Ltd and Mr Mohammed Sarwar, from Mr Justice Millett's *ex parte* decision refusing them leave to bring proceedings against the prospective defendants, Bank of Credit and Commerce International SA and joint administrative receivers of the companies appointed by BCCI under a debenture.

An appeal against the judge's refusal to restrain the receivers from continuing in control of the companies' affairs and assets was dismissed.

LORD JUSTICE SCOTT said that since 1980 the two companies had been customers of BCCI and had borrowed and overdrawn facilities. BCCI had taken security. Each company gave a debenture to BCCI, and cross-guaranteed the other's debt.

In addition, security for the companies' debts was given by Mr Sarwar and his brother by a charge of property in Leeds. Under the charge the two companies and Mr Sarwar and his brother, defined together as "the principal debtor", covenanted with BCCI to pay "all moneys and liabilities... due, owing or incurred" by them to BCCI.

The effect was to render each of the four parties included within "the principal debtor" jointly liable for the monies and liabilities.

Mr Sarwar had some £300,000 on deposit with BCCI. Under a letter of charge dated December 9 1985 he charged the sums standing to his credit with payment of the companies' indebtedness to BCCI.

On July 5 1991 a provisional winding-up order was made against BCCI. On November 12 it made demands for payment of the sums owed by the two companies.

It demanded £185,981 against MS Fashions and £433,964 against Wholesale. It demanded against each company the sum for which demand had been made against the other company.

It demanded also that Mr Sarwar and his brother paid each of those amounts.

So there was a comprehensive demand against each of the potential debtors for the total indebtedness owed by the two companies.

The effect of those demands was to transform what might previously have been only a contingent debt into a present debt.

On January 14 1992 a winding-up order was made against BCCI.

BCCI was heavily insolvent. Those to whom it owed money could expect only a dividend.

There was no defence available to the companies or Mr Sarwar in answer to their obligation to pay the total £568,945 now demanded by BCCI, save under rule 4.90 of the Insolvency Rules 1986.

Rule 4.90 provided that where, before a company went into liquidation, there had been mutual debts between it and a creditor claiming to prove in the liquidation, "the sums due from one party shall be set off against the sums due from the other".

Mr Driscoll for Mr Sarwar contended that the set-off operated as at date of winding-up.

He said the effect of rule 4.90 was to diminish the debt owed by Mr Sarwar to BCCI from the initial figure (£600,000 as a round sum) leaving him as a debtor to BCCI in the net amount of £300,000.

It was contended that £300,000 was the only sum he owed to BCCI and which the companies owed to BCCI.

On that footing the companies and Mr Sarwar desired to discharge the indebtedness and redeem the debentures.

Mr Pascoe for BCCI contended that it was not open to the companies to take advantage of the set-off.

It was not disputed that the

effect of rule 4.90 was to reduce Mr Sarwar's indebtedness but, it was said, the two companies remained indebted in the full amount.

If that was so, BCCI was entitled to claim the full £600,000 from the companies and then become accountable to Mr Sarwar for the £300,000. But Mr Sarwar's recovery in respect of that sum would be limited to the dividends payable in the liquidation.

Those contentions treated the operation of rule 4.90 as if it were a matter of election by BCCI whether or not to invoke the set-off. BCCI could not be required, it was said, to set off the £300,000 against the debt owed by the companies.

That was the view that attracted Mr Justice Millett.

He said release or discharge of a surety did not discharge the principal debtor, and it followed that BCCI could if it wished release the guarantee and still enforce its security in full, notwithstanding that it had already demanded payment from Mr Sarwar.

He said BCCI was not bound to release the surety. It might proceed in any order it chose. It might enforce its security against the principal debtor before seeking to enforce the guarantee for the balance, if any.

It was correct that release of a surety did not discharge a principal debtor. Nothing but payment did that. Also, BCCI could, if it wished, release the guarantee and still enforce its security against the companies.

But that was not the point. It was plain enough that payment by the surety not only released the surety, but also discharged or reduced the principal debtor's liability to the creditor.

The set-off effect of rule 4.90 in reducing Mr Sarwar's liability corresponded to payment of a corresponding amount made by Mr Sarwar to BCCI.

If that was the right analysis, operation of the set-off reduced to £300,000 the debt for which both the principal debtors, and the surety, Mr Sarwar, were liable to BCCI.

Rule 4.90 could not properly operate unless it operated in reduction of the debt owing to BCCI for which, at date of liquidation, the principal debtors and the sureties were all liable.

If it did so operate, all that was left for BCCI to enforce against the principal debtors or the sureties, was the balance of the original debt.

Leave should be granted to Mr Sarwar and the companies, to seek a declaration that the amount of the debt which they owed BCCI had been reduced by operation of rule 4.90 to the extent of the sum standing to Mr Sarwar's credit in his deposit account with BCCI at the date BCCI went into liquidation.

If on the hearing of the application BCCI or the receivers thought of other arguments or found other authorities which invalidated the present conclusions, it was open to them to employ them. His Lordship simply dealt with the matter for the purpose of leave and on the basis of conclusions which seemed at the moment to be compelling.

With regard to the application for an injunction to restrain the receivers from acting in the receivership, though the court had not seen the debentures under which they were appointed, it was common ground that even if on the set-off point the companies and Mr Sarwar were correct, they owed £300,000 to BCCI.

They had not paid. There could therefore be no challenge to the validity of the receivers' appointment. The security held by BCCI entitled it, following the demand for payment and in the absence of payment, to appoint receivers.

It was well-established that unless a mortgagee debtor had tendered the sum owing to the mortgagee creditor, the mortgagee creditor remained entitled to exercise whatever remedies the security provided.

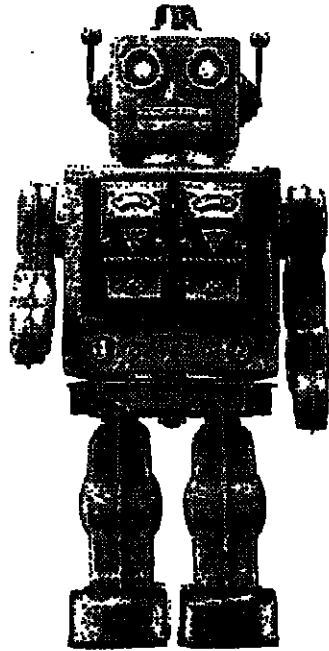
The appeal against Mr Justice Millett's refusal of the injunction was dismissed. The appeal against his refusal of leave to bring proceedings was allowed.

LORD JUSTICE WOOLF gave a concurring judgment. For Mr Sarwar and the companies: Michael Driscoll QC and Francis Tregear (Zaballa & Co).

For BCCI: Martin Pascoe (Lovell White Durrant).

For the receivers: David Marks (Dobb Lupton Broomhead & Prior).

Rachel Davies
Barrister



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Theatre/Malcolm Rutherford

Déjàvu

Just over 25 years on, John Osborne has done it again. *Déjàvu* is not *Look Back in Anger*, but it has every claim to become the most talked about play in London. The only reservation apart from the length - a good three hours - and the uncertainty about how to bring it to an end is whether you need to know the earlier piece in order to enjoy the latter. My guess is that *Déjàvu* just about stands in its own right.

Osborne has forgotten nothing since the height of his powers. A quarter of a century later, Jimmy Porter and Cliff are still there, relatively effluent and with Jimmy tending to be known as JP. But instead of Alison, Jimmy's wife, there is now Alison, his daughter, and instead of Helena, his wife's friend, there is now Helena, the friend of his daughter. The rest of the plot is much the same, right down to the use of the ironing board and the switch of allegiance.

Apart from the sheer pleasure of seeing *Look Back* revisited, there are two fundamental reasons why this production by Tony Palmer works so well. One is that Osborne at his best is such a brilliant stage-writer: the words and the allusions come tumbling out, joke after joke.

The other is that this Jimmy Porter - the ageing John Osborne in all but name - is played by the youngish actor, Peter Egan. This is crucial to the success. It means that even when JP is at his most cantankerous and belligerent, he still has a youthful charm. The danger of playing him like a stereotype angry young man turned reactionary fogey - has been avoided. Although Egan appears to get through enormous quantities of red wine and champagne in the course of the show, it never seems that it is wholly the drink that is talking. This is Porter, Senior reflecting on Porter Junior: curiously enough he tends to the conclusion that the generation of the 1950s had it better.

Jimmy looks younger than Cliff (Gareth Thomas), as perhaps he always was at heart. What they still have in common, however, is the ability to turn on a double act. The two men exhaust show is at the heart of their performance. Where Osborne scores, just as he did in *Look Back* and also in *The Entertainer*, is in mixing the corniest of old music hall jokes with the most literary.

Some of the awfulest old lines are repeated, like "my

feet hurt" - "why not try washing your socks?" Then we are off with "Auntie Wordsworth". Osborne's language is steeped in Shakespeare. Remember that team of comics, Jock and Day, who stood tight on the misty mountain top? This mock-literary stuff is the preferred home of Jimmy and Cliff. They were, as one of them says in *Déjàvu*, camp before anyone knew what it meant.

There are also the Osborne swipes at fashionable trends. JP has become a wine snob, and uses the language to dismiss the Nicaragua '89. In the Osborne world there is now an A level in joined-up writing; for GCSEs you do Elton John since nobody has heard of T.S. Eliot. The local shopping precinct is called after Winnie Mandela. But the style is not repetitive because the jokes are so infinitely varied.

There is a lot more besides. The Sunday papers are back: Osborne claims not unfairly to have invented the category "posh". The bears and squirrels of *Look Back* now appear regularly in the Valentine's Day messages in *The Times*. If the earlier work was seminal, this is an essential catch-up.

Comedy Theatre, 071 867 1045



Gareth Thomas and Peter Egan

The Master and Margarita

This is a theatrical version of Mikhail Bulgakov's novel, which in recent years has swept literary Europe in many translations. Not long ago Andrew Clements reported here on York Höller's operatic version, and it is not the only one: the book seems to capture imaginations "wholesale". Though *The Master and Margarita* was Bulgakov's magnum opus, it was published only in 1968-69, a good quarter-century after his death.

The book is a long, wildly imaginative affair, what the Four Corners Theatre Com-

pany offer at Hammersmith is tidy and concise, but seems to encapsulate the peculiar charm and fantasy of the novel. "Seems" having only dipped into its pages, I can't answer for the faithfulness of David Graham-Young's adaptation - but it stands beautifully on its own funny little feet. Though we can guess that a thousand fanciful details must have been trimmed away, the 17 scenes of the "play" - more like a tale partly narrated, partly illustrated in quirky vignettes - gleam with character.

While the writer-lover, "The Master", languishes in an asylum, Margarita encounters the Devil in Moscow. He is probably a real Devil, but quaintly decadent, and he manipulates events as much toward benign ends as toward perverse ones. Through him the characters of *The Master's* unfinished novel about Pontius Pilate enter the action, and other mock-historical personages; meanwhile Margarita places her fate in his hands, and he leads it through curious byways to a metaphysical happy ending.

There are a lot of people

involved, and the eight Four Corners actors play them all with resourceful flair. Except with preconceptions from the original Bulgakov, one could hardly imagine them more neatly realised, even the least of them. Despite some cool murders and an accidental decapitation everybody preserves an air of composed innocence, the better to set off the magical strangeness of what goes on.

As adaptor and director, Graham-Young has ensured that not one line or move fails to make an intuitive point. The prevailing mild tone of the proceedings is broken just once to brilliant effect, by a necrophilic, Poe-fueled ball in the Devil's apartments (gleefully choreographed by Lynn Seymour to the waltz from Rachmaninov's *Masquerade*). The effect of the whole is pungent, delicate and elusive, engaging and oddly satisfying.

David Murray

Lyric Studio, Hammersmith to July 4

Fine art/Patricia Morison

Polish treasure

When young J.L. David was asked in 1780 by a rich, young Polish noble for a portrait, he produced a masterpiece which marked him out as the equal of any artist in Europe. "Count Stanislaus Potocki" is a vast painting, no less than three metres high, an achievement in the mould of Velasquez or Van Dyck. Unquestionably, it is the jewel of an otherwise less than sparkling exhibition, *Treasures of a Polish King*, which is now at the Dulwich Picture Gallery.

Unless you caught Count Potocki's portrait at the great David show in Paris in 1989, it is definitely worth trying to catch this appealing picture. David's inspiration was to reinterpret the pomp and circumstance of the equestrian portrait with its overtones of antique grandeur, for a fashionable world which had also come to value effects of studied informality.

With doffed hat the count courteously greets us, his audience. Every inch the horseman, he sits rock-steady and needs barely to hold the reins, even though his mount is clearly disconcerted by the dog (is it a Dalmatian?) barking beneath its nose. The only touch of red in the canvas is on the dog's collar, placed there to draw attention to the artist's signature. What the photograph cannot convey is the galaxy of the colours. Yellow and white predominate, with eye-catching turquoise for the count's silk sash, his saddle, and the ribbons charmingly twined around his horse's ears and tail.

Normally, this portrait hangs in the Wilanow Museum in Warsaw, which the cultivated Potocki himself founded. The exhibition itself is part of a two-way traffic between Poland and the UK: thirty paintings, among them some of Dulwich's most desirable, are now displayed in Warsaw. The idea for the double-exhibition is a nice one, to commemorate the cultural ambitions of a visionary Polish ruler, Stanislaus II

Augustus. The Dulwich connection comes about because he had two agents in England, Noel Desenfans and Francis Bourgeois, who put together a collection of paintings for his beloved project, a national museum in Warsaw. It took them five years and they lost their shirts on the venture; the king's abdication in 1795 meant the collection stayed in England. It was bequeathed to Dulwich College and in 1911, Sir John Soane's famous gallery was opened as the first public art gallery in the land. Adam Zamoyski's catalogue essay on Stanislaus is a triumph, well worth £8.95. It evokes with real poignancy the rise and fall of this most attaching of Enlightenment rulers. Never go to bed with a Russian, might be the moral of his story. From being the adored lover of Catherine the Great, Stanislaus became a Russian poodle forced to watch first the partition, and then the extinction, of his country.

One day no doubt there will be a grand exhibition about Stanislaus, who achieved things of enduring importance for Poland's self-image. However, such a show lies in the future. With the exception of the David portrait, the Dulwich show is distinctly low-key, and in my book a display of embroidered sashes did nothing to cheer it up.

Admittedly, this is a chance to see a notable portrait by Meiss of St Charles Hanbury Williams, the king's cultural guru, also two important views by Bellotto, one of which was used for the reconstruction of Warsaw after the Second World War, and a currently de-attributed Rembrandt portrait. A paltry group of architectural drawings do not go far to convey Stanislaus's ambitions to build in a way which would symbolise the monarchy's, and Poland's, resurgence. He imported Neo-Classicism into the royal palaces. It is a pity there is only one drawing by the most distinguished of Stanislaus's foreign protégés, Victor Louis, architect for Port-



David's vast painting of Count Stanislaus Potocki, currently at Dulwich

Royal in Paris and the Grand Theatre in Bordeaux.

Not only budgetary problems but political difficulties dogged Stanislaus's building ambitions. Here again, it is Zamoyski's contribution which is memorable. It appears that among the king's many difficulties was the existence of a wondrously daff 16th-century doctrine, Sarmatism.

The Polish nobility believed it was descended from the Sarmatians, a barbarian tribe from the Black Sea who swept into Poland in the 6th century. This pleasing doctrine took

firm root - small wonder since it taught that because the Polish peasantry were Slavs they were, quite literally, a race apart from their masters.

Sarmatic sympathisers liked their architecture "extravagant and fantastic". Perhaps it was to appease them that Merzini's delightfully silly elevation for an Academy of Sciences married a pseudo-medieval crenellated tower to an immense classical facade. I found this one of the more memorable things in the exhibition; sad that Merzini was never able to build his hybrid.

The journey to Dulwich (in south London) is now easier. Winner of the 1991 Prudential Visual Arts Award, the Picture Gallery has put its winnings into a bus service, running through the day, Tuesdays to Sundays. The service starts at 9.15 am and picks up from the Tate and then the National Gallery: for times ring 081-698-5254.

Collections for a King, Royal Castle, Warsaw, ends August 12; *Treasures of a Polish King*, Dulwich Picture Gallery, ends July 28.

London concerts

Sumi Jo & Raúl Giménez/Andrew Constantine

The London Opera Festival - no longer "International" in the umbrella title, though still notably and imaginatively international in its concerns - is again unfolding before the city's eyes and ears. It lasts until July 4, and offers 25 different events in 12 different venues.

Many of these comprise adventurously out-of-the-way small-ensemble events in theatres like The Place and the Riverside. Tuesday's opening concert had, however, a distinctly old-fashioned air. It was a Grand Vocal Concert by two leading singers, who offered a succession of items from the bel canto repertory on the large stage and in the unflattering acoustics of the Barbican Hall. The hampered ineptitude of their pianist, who regularly fell behind the beat as she struggled to turn the pages of her music, transported one in a time-capsule back to the days when Voice Was All and laughably unmusical accompaniments could be tolerated as being meant to go unnoticed. Was such a display mounted

for educational reasons, a sort of enacted tableau of historical authenticity? If so it was a particular slight to the tenor, Raúl Giménez, who (as he has shown in Royal Opera revivals of Rossini and Donizetti operas) is a marvellously graceful and elegant singer of this music, a stylist of the first order deserving of matchingly stylish support. Even through the pianist's wrack and fog one could enjoy and admire his softly moulded, sweetly coloured tones, the pliant delicacy of his phrasing, his readiness to spin out both recitative and aria in such numbers as the beautifully tender tenor romance from Rossini's *Più che una vita*.

The soprano - who came together with the tenor only in a single duet, from *Lucia*, at concert's end - was "historical" in a slightly less fastidious fashion. Sumi Jo, recently Offenbach's Olympia, Donizetti's Adina and Bellini's Elvira at Covent Garden, has a deliciously pearly instrument, light and pure (though on this occasion a touch of edge

marred its highest notes). But she sounded more like a teacher's best pupil than an independent, fully formed artist; a feeling of carefully - mechanically? - learned routine made itself felt in number after number, song or aria as may be. Her part singing of "Una voce poco fa" added to the effect at once comical and faintly depressing of the whole concert.

Max Loppert

As winner of the 1991 Donatella Flick Conducting Competition, young Constantine got to conduct the London Philharmonic on Tuesday. He has been studying in St. Petersburg, and chose an all-Russian programme - to which was added, late in the day, a Verdi *scena* for Montserrat Caballé. If the quality of her mature soprano now rarely suggests a Demosthenes, she made her own mark by stately authority and grandly sculptured phrasing. Constantine treated Verdi's extraordinary wind-writing in the *Otello* music with loving

care. For the pianist Nikolai Demidenko he honed Rakhmaninov's orchestra in the "Paganini" Rhapsody to a bright gleam, and made an alert partner to his dazzling soloist. Not only is Demidenko a phenomenal technician, but in this work he graded his attack to the music of the moment with faultless instinct: here chords like axe-blows, there the pearliest filigree - and everywhere, an exact grasp of the various relations in which Rakhmaninov's piano here stands to the band.

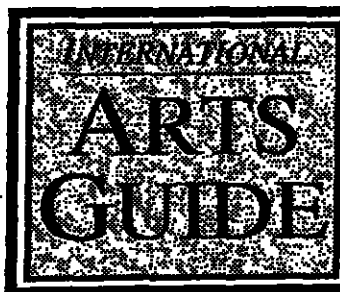
About Tchaikovsky's Fantasy-Overture "Romeo and Juliet" and Prokofiev's Symphony no. 5, Constantine had his own definite ideas: never eccentric, once in a while too overtly insistent. His platform-manner was assured and direct. "Romeo and Juliet" had been prepared with passionate care, as if to rescue it from routine pop-status; indeed, he forced us to listen with unusual attention, but achieved no great illusion of spontaneous flow.

In that piece, with its many repetitions, dwelling with

unwonted, drawn-out fervour on ultra-familiar passages was bound to sound self-conscious. Something like that happened with the first movement of the Prokofiev too, much of it taken (arguably) just under tempo: the result was magniloquent and heavy, with none of the little spring that should carry it forward. The ratchet scherzo and the Adagio, convincingly quicker than usual, were much better judged, and the Finale drove to a fine whooping close.

In all the main works there were small problems of balance. A grossly prominent tuba regularly threatened to swallow his colleagues; over-eager horns and light drums distracted the ear from the main musical burden; the upper strings' pizzicato had too little Prokofievian sting to make themselves felt. But definitely, and Constantine's shaping of the music was never short of it: this intelligent, well-schooled conductor should mature fast.

David Murray



Musikfest am Tegernsee (July 4-14) is one of Europe's youngest festivals - it was founded by violinist Oleg Kagan and cellist Natalia Gutman three years ago - but its lakeside setting at the foot of the Bavarian Alps makes it also one of the most peaceful and picturesque. Run by Gutman alongside her husband's premature death, the festival combines an intimate, relaxed atmosphere with high-powered music-making from Russian virtuosos. This year's recitalists include Svetoslav Richter, Yuri Bashmet, the Borodin Quartet and Eliso Virsaladze. Martha Argerich and the Hilliard Ensemble are also due to give concerts (Kurverwaltung Kreuth/Hut, 0829-1819 Fax 0829-1828). For those who prefer their musical entertainment on a larger and more vocal scale, this summer's programme at

the Verona Arena has plenty to offer. The season opens on July 1 with Don Carlo, conducted by Gustav Kuhn. La bohème follows on July 3, and there will be 16 performances of Aida and five of Nabucco. The soloists include Neil Shicoff, Luis Lima, Renato Bruson, Aprile Millo and Cecilia Gasdia. Lorin Maazel will conduct a concert performance of Porgy and Bess (Aug 24), and there will also be four performances (Aug 19-22) of a John Butler choreography in the Teatro Romano, with music by Orff (45-800 5151).

The Cleveland Orchestra visits the London Proms in the last week of July with its chief conductor, Christoph von Dohnanyi, before giving three concerts at the Salzburg Festival. The programmes include a new work by Herbert Willi, one of Austria's most successful young composers. Dohnanyi's wife Anja Silja will be soloist in Weill's Seven Deadly Sins and Jose van Dam will sing Mahler's Rückert Lieder. Dohnanyi, at present conducting Der fliegende Holländer in London, will also conduct the Salzburg Festival's new production of Salome. The Cleveland Orchestra has been invited to Salzburg in 1994 for concert performances, and in 1995 will take up an extended residency at the festival.

EXHIBITIONS GUIDE

BALTIMORE Museum of Art Design 1935-65:

What Modern Was. The exhibition includes furniture, textiles, tableware and jewellery, charting the course of Modernism during a period of great political change. Ends Aug 2. Also French Posters: 40 years of century advertising posters by Toulouse-Lautrec and others. Ends Aug 9. Closed Mon and Tues.

BARCELONA Fundació la Caixa Sports in Ancient Greece: a guide to the customs, rituals and philosophy of sport in ancient Greek culture. Ends Aug 9.

Pia Almona Medieval Catalonia: an exhibition divided between three different locations in the Barrio Gótico in the old part of the city. Pia Almona (first building to the left of the cathedral) houses the first section, entitled Genesis of Catalan Romanesque Art. The second part, Between Tradition and Innovation, is housed in the Old Royal Palace at Plaça del Rei. Part three, The Golden Age, is at St Anne's Church, behind Plaça Catalunya. Ends Aug 9.

Basle Kunstmuseum Transform: 20th century sculpture. The exhibition explores the multiple inter-relationships between painting and sculpture and the resulting new forms of expression which can no longer be integrated into traditional artistic genres. The Kunstmuseum focuses on painter-sculptors such as Matisse, Picasso, Giacometti and Miró. The Kunsthalte has

'object art' installations by Beuys, Borovsky, LeWitt, Johns, Nauman and others. Ends Sep 27. Daily.

BERLIN Haus der Kulturen der Welt Civilisation of ancient Peru. Ends Aug 30. Closed Mon.

Museum für Moderne Kunst Im ganzen Haus: a wide-ranging survey of the museum's own collection, taking in Dada, the early European avant-garde, the Neue Sachlichkeit and recent acquisitions. Ends July 19.

Closed Mon.

Schloss Charlottenburg Palace of the Gods: 1500 years of Indian art. Ends June 28. Closed Mon.

BRUSSELS Palais des Beaux-Arts David Hockney: 73 works. Ends July 26.

ESSEN Villa Hügel London: World City 1800-1840. The fourth in a series devoted to cities at their zenith, the exhibition includes 700 objects reflecting London's wealth, dynamism and commercial strength in the era after the Napoleonic wars. Ends Nov 7.

GENEVA Petit Palais Louis Valtat and the Fauves: 60 paintings, with a special focus on Valtat, a precursor of the Fauves. Ends Sep 30. Closed Mon.

LAUSANNE Fondation de l'Hermitage Odilon Redon (1840-1916): 200 works by the French Symbolist painter whom the Surrealists regarded as one of their precursors. Ends Sep 21. Closed Mon.

Musée d'Art Contemporain Post Human: the first major exhibition documenting the art world's reaction to the latest developments in technology. It brings together the work of 30 artists from Europe, America and Japan. Ends Sep 13. Daily.

MARTIGNY Fondation Pierre Gianadda Georges Braque: 70 oils, as well as lithographs, engravings, collages and statues, retracing the artist's progress from classicism to fauvism, the historic cubist adventure with Picasso, his path to national celebrity status and how he was called on to decorate a ceiling in the august rooms of the Louvre. Ends Oct 25. Daily.

MONTREAL Museum of Fine Arts The Genius of the Sculptor in Michelangelo's art: a selection of drawings (including about 50 by Michelangelo), together with small-scale models by the artist and by contemporaries and followers. The exhibition, which also includes 16th and 17th century engravings and paintings based on the artist's sculpture, aims to place Michelangelo's sculptural activities in the context of his entire output. Ends Sep 13.

NANCY Musée des Beaux-Arts Art in Lorraine at the time of Jacques Callot: an exhibition, drawn from collections worldwide, celebrating the 400th anniversary of the birth of the great etcher from Nancy. Other artists represented are Jacques

Bellange, Georges de la Tour and Claude Deret. A companion exhibition devoted to Callot is at the Musée historique lorrain. Ends Sep 15. Closed Tues.

NEW YORK Museum of Modern Art Louis I. Kahn: In the Realm of Architecture. A large-scale retrospective devoted to the most important American architect since Frank Lloyd Wright. Ends Aug 18. Also Antoni Tàpies (b1923): prints and illustrated books by the celebrated Catalan artist. Ends Aug 9. Closed Wed.

Metropolitan Museum of Art Korean Ceramics from the Ataka Collection: 114 exquisite works surveying the full flowering of Korea's ceramic tradition from the 10th to 19th centuries. Ends July 12. Also Andrea Mantegna. Ends July 12. Royal Art of Benin. Ends Sep 13. Closed Mon.

PARIS Parc de Bagatelle Henry Moore: a major outdoor exhibition of 27 over life-size bronze sculptures, ranging from the 1950s to the last great works of the 1980s. Ends Oct 4 (Bois de Boulogne).

Galerie Didier Imbert Henry Moore Intime. Ends July 24. Closed Sun (19 ave Matignon).

Musée Guimet From the Tagus River to the Chinese Sea: ceramics, porcelains and gold brocade bringing back the magic of Portuguese commercial links with the East Indies from 1513 onwards. Ends Aug 31. Closed Tues (8 place d'Iéna).

Le Louvre des Antiquaires Les jardins du Baron Haussmann: documents, plans and engravings showing Paris of the Belle Époque. Ends Oct 4. Closed Mon (2 place du palais Royal).

Galerie Schmitt French Masters of the 19th and 20th centuries. Ends July 16. Closed Sun (396 rue Saint Honoré).

Grand Palais The Vikings. Ends July 12. Closed Tues, late opening Wed (ave du General Eisenhower).

Musée D'Orsay Guimard (1867-1942), art nouveau designer. Ends July 26. Closed Mon.

Louvre Clodion (1738-1814), French sculptor. Ends June 29. Closed Tues (Hall Napoleon).

WASHINGTON Corcoran Gallery of Art Max Weber: the Cubist Decade 1910-20, featuring 64 works with emphasis on city views. Ends Aug 9. Also Berlin Art in the Nineties: paintings, sculpture and photographs by nine younger-generation German artists. Ends July 5. Closed Mon.

National Gallery of Art Art of the American Indian Frontier. Ends Jan 24. Dürer to Diebenkorn: 114 recent graphic art acquisitions, including works by Holbein, Goya, Gainsborough and Caspar David Friedrich. Also Käthe Kollwitz (1867-1945). Ends Aug 16. Jacques Callot: etchings and engravings by the early 17th century French printmaker. Ends Sep 7. Daily.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday June 12 1992

The EC-US soyabean war

US FRUSTRATION with the EC's behaviour over oilseed imports is understandable. But it cannot justify the decision to retaliate by imposing punitive tariffs on \$1bn of farm imports from the EC, about a quarter of the EC's farm trade with the US. Unpredictable political forces are at play both in the US (the Perot factor) and in Europe (the Denmark factor). Retaliation could even scupper hopes of progress in the Uruguay Round of talks on world trade liberalisation and lead to escalation into wider trade conflict.

The dispute over oilseeds has deep roots. In the 1970s the EC introduced a system of subsidies that encouraged oilseed production, thereby undermining a 1982 commitment to give soyabeans and soyameal from the US duty-free access into EC markets.

Since 1987 the US has twice had its complaints upheld by dispute settlement panels of the General Agreement on Tariffs and Trade (GATT). EC efforts at reform have satisfied neither the US nor, more significantly, the international trading community.

Both impatient and cynical over EC delays, the US announced a month ago that if the EC failed to reform its oilseeds regime, punitive tariffs would be imposed on \$1bn of EC farm exports. This it was entitled to do under the GATT.

Irrevocably weakened

EC officials argue that the US irrevocably weakened its position in the EC when it embargoed soy exports in the mid-1970s during a domestic shortage. This created concerns in Europe about security of supply and opened the gate to Latin American producers. The US has been losing market share to such low-cost producers ever since, a development that has nothing to do with the new EC subsidy regime, argue EC officials.

A case for police investigation

A SYSTEM of grants and expenditure controls which fails to encourage the efficient management of resources. Blurred lines of accountability. A mismatch between financial and management responsibilities. The Audit Commission's charge list offers ample justification for Mr Kenneth Clarke's two reviews into the UK police, the second of which was announced on Wednesday when the Home Secretary addressed the chief police officers' conference.

As with other managerial reforms of public services, the driving force behind the government's reviews will be economy and efficiency. The cost of policing, which has risen almost 75 per cent in real terms since 1979, will be a target for the Treasury in a tough public expenditure round.

But the issue of effectiveness is also central for a government which claims law and order as its strong suit. Money has been poured into police manpower, pay, support services and equipment in the 1980s. Yet levels of recorded crime have doubled while the proportion cleared up has fallen. Worse, public confidence in the police has declined, partly because of well-publicised miscarriages of justice, partly because the service is not seen as user-friendly. Without a relationship of trust, the flow of information from the public dries up, depriving the police of a vital resource in preventing crime and catching criminals.

In seeking to tackle these issues, Mr Clarke is pushing at a door which, if not wide open, is at least ajar. Many senior police officers have recognised the failings of the old ways and the need to rebuild public trust. Greater flexibility in staffing and working patterns are being introduced. The most

Chip trade war

THE US is supposed to be in favour of the market economy and hostile to "Japan Incorporated". Judged, however, by the US-Japanese agreement on trade in semi-conductors, the US is, in fact, against the market economy, but in support of Japan Incorporated.

Naturally, that is not how the US-Japanese agreement to raise the share of foreign companies in the Japanese chip market to 20 per cent is explained. But how, other than as a violation of market principles, should pressure on Japanese companies to respond to a political fiat be described? And how might such an agreement be implemented, other than via a purchasing cartel amongst Japanese semi-conductor users?

The US seems to want the Japanese economy to become the kind of centralised, cartelised economy that many Americans complain it already is. But it is not. The long

Nevertheless, last week the EC responded to the pressure. Though continuing to dispute the rulings, the EC agreed to compensate US exporters in settlement of the dispute - an option open to the EC under GATT rules, which removes GATT backing for US retaliation.

Clever play

EC officials presumably saw this as a clever play, but they may have failed to reckon with "the Perot factor". In the US, President Bush has won praise from the soyabean lobby in the US for playing hardball with the EC. This is important for him as he prepares to enter a three-man race for the presidency, behind Ross Perot in many polls, and desperately needing to hold on to the Republican base in Midwest farm states.

The danger is that President Bush will press ahead with unilateral retaliation, disregarding the fact that he no longer has a GATT sanction for doing so. The EC would find it hard to resist a counter-attack. There would then be little prospect of further progress towards a settlement of the US-EC farm trade dispute that blocks successful conclusion of the Uruguay Round.

Both sides have to move with great care, since far more is at stake than soyabeans. The US has the discretion to play the dispute long. President Bush can pause for up to 210 days before he imposes punitive tariffs. He should do so. Equally, the EC must now move swiftly in drawing up its compensation list. The danger of conflict can also be defused by skilful choice of the goods on the list: the more the EC exports to the US farm lobby, the better. And, should the US now retaliate, the EC should hold back on counter-retaliation and, instead, work even harder to settle the issue within the Uruguay Round.

go-ahead forces (now restyled police services) have adopted devolution of management, policing by objectives and customer service initiatives well in advance of the Citizen's Charter. Though they have yet to make an impact on crime levels, there is evidence that these steps have begun to restore confidence in the police.

However, intractable issues remain to be tackled by the Home Secretary's reviews. The rank-and-file career structure has produced top-heavy management, in which the best police officers are encouraged to become administrators. Perverse incentives built into the financing system encourage the recruitment of extra officers but discourage the substitution of cheaper civilians where they can do the same job.

And there is a real problem of accountability in the present structure with many police forces accountable either to joint boards or - in the case of the Metropolitan Police - only to the Home Secretary. If the Local Government Commission creates unitary local authorities based on smaller districts rather than larger counties, the link between police authorities and elected local politicians will be further attenuated.

Mr Clarke is well-placed to deal with such challenges. He has already pushed through far-reaching reforms of the health and education services, in the teeth of opposition from the professionals. In this instance, he has attempted to carry along the police, with skilful speeches to the annual conferences of the chief officers and the rank and file. Their co-operation will be essential to the success of the solutions which his reviews devise, and he is wise to take steps to keep them onside.

term relationships characteristic of the Japanese economy are not the exploitative cartels US industrialists complain they are. They are often a sensible market response in an uncertain world. The US-Japanese semi-conductor agreement, by contrast, does demand cartelisation, if not outright economic planning. Nor is this merely a crafty ploy to undermine Japanese economic strength. It is rather a way for US industry to offset its own weaknesses. The inevitable failure of an agreement whose fulfilment cannot be guaranteed within a competitive economy increases complaints about Japanese bad faith, thereby augmenting the tensions it is supposed to lower. The lesson of US frustration with this accord is not that it should be implemented with greater vigour; it is that the agreement should never have been made in the first place.

The Earth Summit, now drawing to its close, has a definite whiff of the 1970s about it. That, no doubt, is why the US is so visibly uncomfortable there.

The 1970s was not a good decade for America. East-west issues became fuzzy and north-south issues became sharp, with the US repeatedly cast as the villain in the UN, while its European allies tended to criticise American policy and suck up to Arab oil producers.

In the 1980s, America did much better, at least in its own eyes. First, the east-west conflict resumed centre stage, with the US inevitably leading the western side. Then the west emerged as clear victor. The glory of this achievement carried over into the early 1990s. The Gulf war established the US as indisputably the world's leading military power, and the driving force of a revived United Nations. Some American commentators proclaimed the arrival of a "unipolar moment", in which international order would be assured by the projection of American power.

That triumphalism has proved shortlived. Few Americans today seem to feel that their country is uniquely successful or powerful. They are much more preoccupied with economic, social and financial problems at home, and above all with a perceived failure of their political leaders and the system that produces them. How else can one explain the extraordinary popularity of Mr Ross Perot, a man who deliberately eschews political platitudes and bases his appeal precisely on being unconnected with the established system?

But, as in the 1970s, their anxiety about their own failures and apparent decline coincides with a reaction against their influence in the rest of the world, and especially among the governments of the south who feel their fragile sovereignty threatened by the combination of American power with the appeal of America's individualist ideology. Even those with reasonable democratic credentials, such as India, Malaysia and most Latin American countries, feel distinctly nervous at the suggestion, widely canvassed in the US and Europe since the end of the Gulf war, that humanitarian or human rights considerations can override national sovereignty.

Few of today's southern regimes feel any ideological affinity with communism. But many do regret the demise of the Soviet bloc which, at least from their point of view, provided an element of balance in the international system: a check on the otherwise unchallenged power of the US. That, of course, is the biggest difference between the 1970s and the 1990s. In the 1970s southern resentment against the US was egged on and supported by the Soviet bloc. Today the south feels that it is on its own.

Not that "the south" is a homogeneous political bloc, such as "the east" used to be. It has no common ideology beyond, at most, a general sense of grievance about its inequality with the north. Nor are southern states linked by any effective system of alliances. Many of them regard each other, rather than the north, as their most dangerous adversaries. Even in its heyday the Non-aligned Movement was never very cohesive, and today it is rendered meaningless by the fact that there is no longer any alignment to regulate.

The Group of 77, which in the 1970s formulated the demands collectively known as the "new international economic order", was

The industrialised and developing worlds have failed again to find a basis for co-operation, writes Edward Mortimer

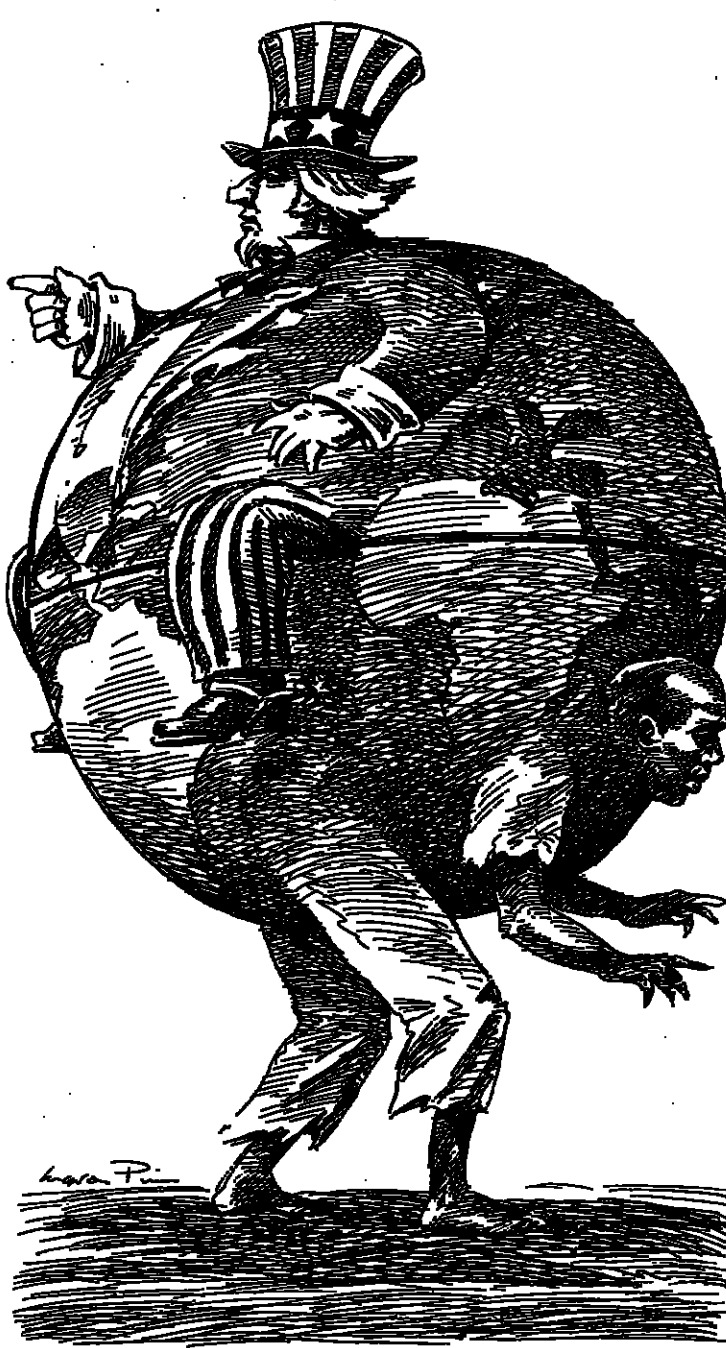
Southern discomfort

rather more successful: and its reappearance is what gives the Earth Summit such a marked 1970s flavour. Yet it no longer has the same impact, because the *étatiste* approach with which it is associated has largely gone out of fashion, even within the south. Almost all southern governments are now trying to apply "northern" economic policies on the domestic level, and many of them openly aspire to join the north rather than beat it (although one should not forget that in the 1970s Iran, for one, had precisely that ambition).

Above all, most southern states now accept that the global balance of power offers them little or no hope of extracting significant concessions from the north through confrontation. In the 1970s the oil crisis gave Third World governments an increase in borrowing and bargaining power. It was widely imagined that the cartel tactics of the Organisation of Petroleum Exporting Countries could be imitated by producers of other raw materials. But today oil is as cheap in real terms as it has ever been, and other raw materials have followed it more closely on the way down than on the way up.

Can the north's new-found interest in the global environment, and especially in the preservation of natural resources such as the tropical rain forests located in the south, provide an alternative basis for a bargain? That, in essence, was the idea behind the Earth Summit, as its full title, UN Conference on Environment and Development, suggests. Northern governments accepted that the south could not be expected to take ecological demands seriously unless its own agenda of economic development was addressed. Tropical countries thought at last they had got something the north wanted, and would be willing to pay for. As the Malaysian primary industries minister, Lim Keng Yik, says: "I'm poor and need my forests to get on in life, so if you want them you must pay - and give me technology and investment."

Yet it is clear now that no real bargain has been struck in Rio. Tropical countries are not prepared to accept a legally binding forest convention, seeing it as too great a sacrifice of sovereignty; and northern countries are not prepared to pay anything for environmental protection and a bargain will after all become possible. Yet it seems more likely that the notion of a north-south bargain is in itself to borrow a phrase from US President George Bush "fundamentally flawed". A bargain implies a relationship of equality: each side has something to offer, and something to expect. But the essence of the north-south relationship is inequality. What differentiates the south from the north, in so far as the categories mean any-



of CO₂ emissions.

Perhaps, if in the next few years the evidence for rapid global warming gets more conclusive, the north will become more willing to pay for environmental protection and a bargain will after all become possible. Yet it seems more likely that the notion of a north-south bargain is in itself to borrow a phrase from US President George Bush "fundamentally flawed". A bargain implies a relationship of equality: each side has something to offer, and something to expect. But the essence of the north-south relationship is inequality. What differentiates the south from the north, in so far as the categories mean any-

thing, is precisely its lack of bargaining power.

Apart from oil and forests, what other assets might give the south the leverage it needs to drive a bargain? Or, to put it another way, what else about the south worries the north? The list is not difficult to compile: weapons proliferation, terrorism, drugs, humanitarianism and sheer numbers. The north worries that a southern state may acquire and use a nuclear weapon, or fire a long-range missile at a northern country. It fears its airliners may be blown up, or its citizens taken hostage. The north worries about the cultivation and export of narcotic substances and dislikes the

thought of large numbers of human beings dying of hunger or being tortured, massacred and driven from their homes. And the north also worries at the thought that by 2025 industrialised countries will contain only 15 per cent of a world population of 8bn people (whereas in 1980 they were 20 per cent of 2.5bn).

"This growth," according to former German chancellor Mr Helmut Schmidt, "will inevitably lead to enormous mass migrations and therefore it will lead to armed conflicts and it will lead to wars." Exactly how this would happen is not clear, but the spectre of ever more hungry faces pressed against the window of the industrial world and looking in clearly disturbs the repose of the privileged few who are looking out.

The trouble with all these issues, from the south's point of view, is that they are problems for the south itself before they hit the north. Weapons acquired by southern states are most likely to be used against other southern states. Terrorism and narco-violence are already endemic in many southern countries. Obviously famine, torture and massacre in the south are worse for those directly affected than for those only troubled in their distant consciences. And it is in the south that the burden of overpopulation and mass migration, combined with undernourishment and poverty, is chiefly felt. If southern countries seek to frighten the north by aggravating or refusing to solve these problems they are effectively threatening to commit suicide.

Moreover, as they see it, most of these problems are the north's fault. The north long ago destroyed its own deciduous forests. The north consumes far more than its share of non-renewable resources, and is the main source of industrial pollution. If southern farmers grow narcotic crops, and southern cartels grow rich and powerful by exporting them, it is because the north provides a ready market for those products while erecting barriers against so many others. The north is also the main supplier of weapons and weapons technology, whether conventional or unconventional. Northern colonialism can even be blamed for some of the conflicts in the south which fuel both the arms race and terrorism.

And the more southern countries seek to escalate these issues in the hope of driving a bargain, the greater the risk that northern countries, and especially the US, will resort to military action in an attempt to impose solutions. Panama and the Gulf war could be prototypes for a series of police actions to deal with Third World proliferators, drug barons and other troublemakers. Although no one really gains from such conflicts, it is clear that the southern states on the receiving end are the ones that suffer most.

If more constructive action is eventually taken to deal with these north-south issues, it is unlikely to result from any crude bargain, but only from each side deciding it is in its own interest to do something about them, rather than sit back and blame the other for not doing enough. Of the two, the north should be better placed to reach a set of conscious policy choices, being by definition the richer, stronger and more sophisticated, and also the more culturally homogeneous. Yet, looking at the present mood of the US, one would hardly think so.

Joe Rogaly

Bark from the Tory pups



The Danes, bless them, have put the fun back in British politics. One account of last week's cabinet meeting concerns a junior minister at the foreign office, Mr Douglas Hogg, the government's intention to proceed with ratification of the Maastricht Treaty, when the time seems ripe. When he had finished, it is said, he muttered darkly that he did not believe a word of it. This has been written up in some of the newspapers as both a dastardly attack on the absent foreign secretary, Mr Douglas Hurd, and a daring charge by a supposed centre-forward of the anti-Maastricht brigade, the self-same Mr Hogg.

Other accounts, from several of the grown-up ministers present, have it that when a low-status outsider comes into the cabinet room he or she usually sits in the most conspicuous seat, and reads from a departmentally prepared brief. This sounds a bit like a child creeping shyly downstairs to a posh dinner party, bearing an important telephone message. In Downing Street the appearance of a comic junior like Mr Hogg can be an occasion of some jollity. "Hoggy," one minister said, "was just being Hoggy." He was, I have been trebly assured, simply adding a characteristic throwaway line. It helps if you picture him in pyjamas and dressing gown, pointing slightly.

That pantomime was followed by this week's startling news that the secretary for social security, Mr Peter Lilley, had publicly stated that he supported the government's policy on Europe. He also supported Mr John Major. We were simultaneously informed that Mr Michael Portillo, chief secretary to the Treasury, agreed with Mr Lilley. Always

mindful of duty I thereupon asked a number of other ministers whether they too planned to issue statements in support of the prime minister. The light-hearted nature of the inquiry seemed difficult for them to grasp. "What - me?" was the common reply. "My loyalty has never been doubted." Did that mean that Mr Lilley's was? "No." What did it mean? "It means," said one senior minister, "that inexperienced puppies sometimes have to be slapped down."

I would not describe either Mr Lilley or Mr Portillo thus. Both are known to be strongly opposed to an accretion of power by a centralised Brussels bureaucracy, but I have no reason to believe that either of them has been disloyal. Neither seems to have had the slightest intention of resigning from the government. What would they resign for? The cabinet does not disagree

The cacophony is sufficient to wake the dead, although not yet, it appears, the Labour party

with them. Neither Mr Major nor Mr Hurd has argued in favour of a European superstate. The prime minister and the foreign secretary both insist that the Maastricht Treaty represents a victory for the proponents of free co-operation by national governments. Neither would contemplate putting the bill to ratify it back before the Commons until it is certain that it will get through.

The tricky question before Mr Major is: what that day ever come? The answer depends on events beyond his control. If the Irish vote Maastricht down next Thursday that will be the end of it. If they vote in favour we will await the

French referendum in the autumn. If they say yes, it is back to the Danes. Meanwhile the bill will remain on the shelf. The prime minister, who hugely enjoys the game of day-to-day politics, is not about to risk a head-on clash with his own party, not if he knows he will lose.

All of this has enlivened the Conservatives' little Englanders, xenophobes, anti-Europeans, unrecommended members of the Thatcherite Old Right, and Mr Kenneth Baker. They put out scurrilous stories. They inspire mischievous articles. They make unhelpful remarks. Long-winded and learned theses about the biggest split among Conservatives since the last biggest split appear almost daily. The cacophony is sufficient to wake the dead, although not yet, it appears, the Labour party. There are faint stirrings, but the party of Mr Neil Kinnock, soon to be that of Mr John Smith, has not yet appreciated that these are promising times for an opposition.

The summer is therefore likely to belong to the Tory anti-Europeans. They appear to believe that the Danes cut the rope, that the British Isles can float away free from the European mainland. They have enjoyed many another summer, until the logic of history and geography has obliged one government or another to participate in whatever the continentals have been up to at the time. The prime minister is aware of this. It is worth noting that at the Earth Summit in Rio he has signed up along with the other Europeans. He has not followed the United States in its opposition to the treaty on biodiversity, as his predecessor might have done. Britain is of Europe and cannot help but fall in with arrangements that suit others as well as itself. Meanwhile we can enjoy the spectacle of the Tories at play. Some of the lads can be rough, but they are always good for a laugh.

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SUB-FUND NAME	PAYMENT CURRENCY	DIVIDEND PER SHARE	COUPON NUMBER
Australia Fund	AUD	0.0664	1
Germany Fund	DEM	0.1259	1
Hong Kong Fund	USD	0.4838	2
Iberia Fund	SPTA	4.1800	1
Italy Fund	ITL	9.1300	2
SE Asia Fund	USD	1.0109	2
Singapore	USD	0.0073	2
Thailand Fund	USD	0.0410	2
UK Fund	GBP	0.0037	2
USD Bond Fund	USD	0.1794	3
European Bond	EUR	0.4709	3
International Bond	USD	0.0355	3
Sterling Bond	GBP	0.0059	6
Yen Bond Fund	YBY	50.2900	3

Dividends will be paid to holders of Bearer Shares in the currency of denomination of the sub-fund (or by arrangement with the Paying Agent and at the cost of the shareholder, in any other currency) against tender of the coupon number listed.

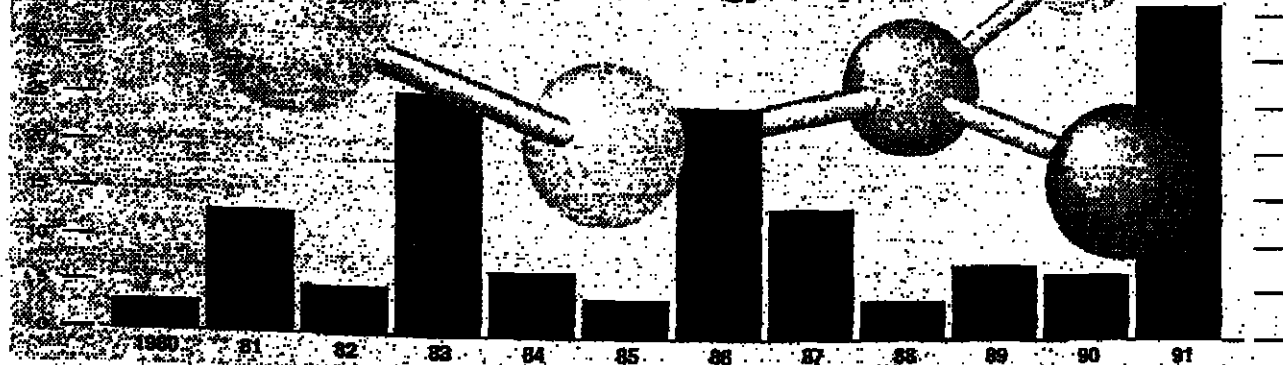
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Fidelity Investments

Initial public offerings
by US biotechnology companies

The appliance of science in New York and London

Disenchantment with the biotechnology sector has not stopped UK companies coming to market, say Clive Cookson and Daniel Green

The first in a wave of British biotechnology companies are trying to transform their success in science to success in the stock market. Cantab Pharmaceuticals of Cambridge and British Biotechnology of Oxford are now under the investors' microscope, with traditional "road shows" ahead of their flotation.

Cantab has chosen a US quotation on Nasdaq, the over-the-counter share market on which many American biotech stocks are traded. British Biotech is hedging its bets with an international share offer, involving a listing on the London Stock Exchange and on Nasdaq.

The whole UK biotech sector — comprising about 70 unquoted companies founded over the past decade or so — is watching to see whether the pair can succeed in spite of Wall Street's current disenchantment with biotechnology. Investors in the US have grown impatient with the sector, as promised returns from start-up companies have not yet materialised.

At least a dozen UK biotech companies will need to raise money through public share offerings over the next two years, says Mr Louis Da Gama, executive director of the UK Biotechnology Association. The fear is that they may have missed the fund-raising opportunity taken by about 40 American biotech companies, which have made initial public offerings over the past 18 months. At the beginning of this year Cantab would have had little trouble convincing US investors to put \$20m into the company, which is developing drugs to treat human immune system disorders. But having digested an estimated \$30m in new shares from biotech companies over the past year and absorbed unexpected bad news from some star performers, investors are rapidly becoming disillusioned.

Since January, biotech stocks have fallen sharply relative to the market as confidence has fallen. All new issues planned for this summer have been shelved — except

Cantab and British Biotech. Cantab put its sale on hold for three weeks and then decided to go ahead, counting on its novelty value and the strengths of its scientific links with Cambridge University to make the flotation a success.

Dr Paul Haycock, Cantab chief executive, says the potential investors whom he met in New York "are interested in our access to a pool of excellence in British science which is relatively unexploited compared to the US academic world".

British Biotech does not share this undiluted optimism, and has responded to Wall Street's change of mood by "shifting the emphasis more towards London and away from the US", says Mr James Noble, finance director. The company expects to raise at least \$20m from the flotation.

Mr Noble points out that British Biotech, which has already raised \$75m from four private share placements since 1986, has a longer track record than most US biotechnology companies. It already has two drugs undergoing early clinical trials and a third due to begin clinical testing in August. "If we had been a US company we would probably have floated three years ago," he says.

The main reason why biotech companies need to go public is that they can raise more money — for research and development — than is normally possible with private placements. There is also pressure from the venture capital funds, which finance companies in their early stages and want some of their investment back.

"We eventually have to look for a position where liquidity is available," says Mr Jeremy Currook Cook, director of Rothschild Asset Management, who advises Biotechnology Investments Fund, the largest UK-based fund. London Stock Exchange

rules do not make it easy for biotech companies to come to market. None can fulfil the requirement that a company seeking a full quotation must have five years in profit.

The exchange does allow for exceptions. Eurotunnel, for example, not only had no profits but there was no prospect of profits until 2000. The exchange invoked a rule that allows a flotation if it is satisfied that potential investors have enough information on which to base a decision.

Although this arrangement has been applied to British Biotech and could be applied to others, stock exchange officials are drawing up special rules to make it easier for a biotech company to come to market. They are concerned that UK companies such as Xenova, Genetics and Pharmaceuticals, Proteins will follow Cantab across the Atlantic when they need funds. Even if biotech is out of fashion in New York, the Vancouver, Toronto and Montreal exchanges in Canada are interested in listing UK companies, says Mr Da Gama.

There are precedents for special listing rules in property and mineral exploration, both of which require heavy investment before a return is likely. However, it will take many months, maybe years, for London's new biotech rules to come into effect. In the interim individual companies will have to go through the laborious process of convincing the exchange of their soundness.

Exchange rules are not the only reason why biotech has been absent from London. Dr Haycock of Cantab says "at the moment the US offers a vibrant, dynamic market for biotechnology companies. It is an experienced market, for example in terms of the number of analysts following the sector." Cantab will list in London "when the market is more receptive to companies like ours".

UK biotech companies have been conspicuous by their failure to generate excitement

US investors have been dazzled by the range of biotech companies on offer, a few of which have become startling successes. Most notable is Amgen, which will see sales this year close to \$1bn, a 50-fold growth in seven years. There have also been some serious disappointments, such as the announcement in April that the US Food and Drug Administration was not after all ready to approve Centocor's much publicised antibody treatment for bacterial sepsis. That setback not only demolished Centocor shares (now trading at \$14 compared with a high of \$59.75 in January) but also accelerated the decline in the whole biotech sector.

While US investors have ridden a roller-coaster, UK biotech companies have been conspicuous by their failure to generate excitement. Celtech, for instance, the oldest and largest UK biotechnology company, made impressive technical achievements during the 1980s — particularly in the large-scale production of antibodies — but its commercial development was poorly focused. As an uninspiring flagship for the UK industry, Celtech educated fund managers out of the sector.

However, a restructuring in 1990-91, accompanied by new management, has transformed Celtech's prospects. It is now a research-oriented biopharmaceutical company, concentrating on three areas: immunity, inflammation and oncology (cancer).

Celtech is burning cash more slowly than most other biotech companies — partly because it has an income of \$12m a year from manufacturing antibodies for the pharmaceutical industry. Dr Peter Felner, chief executive, says it does not expect to float on the London stock exchange until late 1993. It will then be looking to raise some \$20m.

By then biotech could be fashionable in London. "Things are going to change suddenly after British Biotechnology," said an industry observer. "It will place biotechnology in the spotlight in the UK."

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Cadbury: divisions over ownership and accountability

From Mr David Graine

Sir, Sir Owen Green criticises the Cadbury Committee (Personal View, June 9) for being long on accountability but short on drive and efficiency. In fact, while greater accountability can and should enhance the performance of a company, the Cadbury report actually fails to offer the reforms needed to promote such accountability in practice. Shareholders who attend company meetings know full well that these occasions do not make any important decisions. Boards make little attempt to open the company up to scrutiny, while chairmen's answers to questions are usually highly subjective, suitably anecdotal and anecdotal. As long as this absence of scrutiny continues, criminal and unethical activity will flourish.

Sadly Cadbury does not go far enough and will only "paper over the cracks". Simply asking shareholders to submit questions in advance will only add to board control over the general meeting. Only a formal mechanism for allowing shareholders to place resolutions, as in the US, can offer hope for changing the climate so that they will believe they can monitor effectively. David Graine, 68 Charlton Road, Harlesden, London NW10 4BA

From Mr J G Cluff

Sir, Sir Owen Green has nailed the central weakness in the Cadbury report. The introduction of any formula which may lead to a "them and us" atmosphere in the board room is to be deplored. Such a proposal, apart from the dangerous risk of wasting time, also may result in damaging the vital link between the executive and non-executive — that of trust.

If Sir Adrian Cadbury is concerned last members of a board become united or, heaven forbid, even friends, then he may take comfort from the fact that most of us are more likely to seek to avoid letting down our friends than our enemies. J G Cluff, 58 St James Street, London SW1A 1LD

From Mr Edmund Jackson

Sir, Sir Owen Green and Sir Ronald Grierson (Letters, June 10) have rejected the Cadbury report, but it is inevitably a curate's egg and corporate governance a compromise. Sir Owen describes "ownership" of companies as "novel, untested and inappropriate". But the basis of capitalism is a working system of ownership rights, or we are nothing. Such privileges carry a positive ethic

of duties towards caring — eg, monitoring progress, voting on resolutions.

It is because institutional investors neglect these duties that calls for non-executive directors are made.

Sir Owen is dead right on non-executive directors. The concept has an oxymoronic ring, like "lady mud-wrestlers". But he cannot imply that executive directors need no outside checks. Recent salary and share option abuse, corporate over-stretch and collapse, all cry out for active shareholder monitoring.

Sir Ronald knocks "the absurdities of the Cadbury report", yet there are nuggets in its veins that merit thought. Edmund Jackson, Chertsey, Surrey CR3 7EH

From Mr Walter Grant Scott

Sir, Surely an attempt to repair the fractured interface between owners and managers of businesses by interposing an additional layer (of non-executive directors) must fail.

Two additions to company law may bridge the gap: ● The remuneration of each executive director must be approved each year at the annual general meeting; ● Dividends may only be paid out of current cash earnings.

These would certainly ensure good attendance at AGMs and create awareness as a first step to governance. Walter Grant Scott, Millburn Tower, Gogar, Edinburgh EH13 9BS

From Mr Donald B Butcher

Sir, The eagerness with which the president of the Institute of Chartered Accountants sets out the five actions which his institute intends to take as a result of the Cadbury report (Letters, June 8) may have something to do with the fact that four of them will no doubt lead directly to increased fees for his members.

Your columns are remarkably empty of comments from shareholders, who will pay for the additional auditing, as to what action they might take. This is not surprising. First because Cadbury seems largely to have turned a blind eye to the tiresome fact that somebody has to perform the ownership role and second because action which shareholders take has to be paid for by themselves. This is not the case for the other actors in this drama.

Private shareholders do intend to act. Some are in the process of forming the UK Private Shareholders' Association. Donald B Butcher, 12 Burgh Heath Road, Epsom, Surrey KT17 4LJ

Banks too 'trigger happy' about investigating smaller companies in difficulties

From Mr Michael Proudlock

Sir, There appears to be an increasing tendency for banks to call for investigative accountants' reports on smaller business customers with trading difficulties. While, in some cases, this might be seen as prudent banking practice, it gives cause for a number of concerns.

The first is that banks appear to be doing this as a matter of everyday routine, rather than regarding it as an exceptional step. This is surprising since, in many cases, the bank has been in a close relationship with the business for a number of years and will already be very familiar with its financial position. In such cases, an accountant's report will add very little.

Next, these reports are generally undertaken by the insolvency practitioners, who have a clear conflict of interest. If their report suggests receivership as the only logical step to be taken by the banks, it is standard practice for that same firm to be appointed as receiver.

Third, preparation of the report diverts the company's management just at the time when it is most needed in the day-to-day running of the business. Finally, the cost of these

reports is borne by the customer, who is given no chance to negotiate. In a number of recent instances which I have seen, the charges levied seem to be out of all proportion to the workload involved.

This practice is becoming a source of increasing bitterness in the already strained relationship between small businesses and their banks. To ease this, a more constructive attitude needs to be taken by the banks and accountancy firms themselves.

Banks should become less "trigger happy" in calling for these reports. If they feel they do not know enough about the businesses to which they are lending money, they could perhaps spend a little more of their own time getting to know their customers.

When reports are necessary, investigative accountants should be barred from acting as receivers to the businesses they investigate. Finally, banks should involve their customers in the negotiation of the fees for these reports. After all, it is their money which is being spent.

Michael Proudlock, Granville Development Capital, Mint House, 77 Mansell Street, London E1 6AF

Selectivity factor in schools

From D J Woodhead

Sir, John Auer's interesting article on school fees funding ("Hard arithmetic of school fees", June 6) attempts to assess value for money in choosing a school and mentions several factors relevant to a school's performance, including teaching quality and resources.

But he omits the most important: how academically selective a school is in its pupil intake. That is unfortunate, since it leads him to make largely spurious comparisons between highly selective day schools and boarding schools, most of which have a broader intake.

D J Woodhead, national director, Independent Schools Information Service, 56 Buckingham Gate, London SW1E 6AG

Another view of pessimism

From Mr Christopher Harris

Sir, I note Observer's explanation ("Sure?", June 9) that the difference between an optimist and a pessimist is that the

former does not have all the facts.

I prefer Robert Oppenheimer's explanation that "the optimist believes that this is the best of all possible worlds, and the pessimist fears that he may be right".

Christopher Harris, 52 London Road, Guildford, Surrey, GU1 2AL

No strategic price cutting by Komatsu

From Mr German Gamazo

Sir, Your article "Barlow Rand eyes Spanish target" (April 24), states that, according to analysts, the decrease in sales of Spain's Caterpillar distributor is mainly due to Komatsu's underpricing policy in Spain.

The increase in Komatsu's sales in Spain in recent years is due not to strategic price reduction, but to the quality of the product, service to customers and a big marketing effort. We believe that to survive in the earth moving equipment sector the highest quality of product and service must be offered to customers. German Gamazo, Komatsu Espana, Andia Constitucion s/n Apdo 72, 28850 Torrejon de Ardoz, Madrid

OBSERVER

Exceptions to the rule

At a time like this, publishers surely ought to be tramping over one another for the story of the heir to the throne's romantic liaison with his former housekeeper.

Not so, however, when the heir concerned is the pretender to the throne of France, Henri, Count of Paris. There apparently isn't much of a market either for revelations about the private lives of the royalty of other continental countries.

Take the Netherlands, for instance, where the liveliest such issue is the health of Prince Claus, the German-born husband of Queen Beatrix. Although he has lately resumed his official duties, he went to hospital in 1991 for a recurrence of the depression for which he was treated in a Swiss clinic in the early 1980s. He also has a mild form of Parkinson's disease.

Then again, Sweden's King Carl-Gustaf is known to suffer from dyslexia. But despite being married to the popular Queen Silvia, also German-born and a graduate of the Munich interpreters' school, he is scarcely a hot topic, not least because his duties these days do not even extend to opening parliament.

Nevertheless the Dutch and the Swedish royals are controversial figures by comparison with their counterparts in Germany, which hasn't had a monarch since the abdication of Emperor Wilhelm after the First World War. The last time the Kaiser's heirs caught public attention was four years ago, when one of his great-nephews shot himself near an Austrian lake after finding his wife dead from a drugs overdose.

All of which raises the question of whether, regardless of the Danes, creeping Euro-harmonisation will eventually threaten the British royal family with similar obscurity — and, if so, how the House of

Windsor would look on the prospect of dropping not just out of the headlines, but out of the news altogether.

Hype goes on

Meanwhile, not even the Danish rejection of the Maastricht treaty on monetary union has slowed the momentum behind the bids from cities across Europe to house the European Central Bank. With public relations machines from Edinburgh to Barcelona in overdrive, the mere fact that the ECB might never happen has failed to hold back the campaigns.

For instance, Lord Mayor of London Sir Brian Jenkins has just set off on yet another trip, this time to convince the Spanish and the Belgians that his city is the most serious contender. Only last month he was in Paris talking to its mayor Jacques Chirac in pursuit of the City of London's £1.5m drive to capture the ECB.

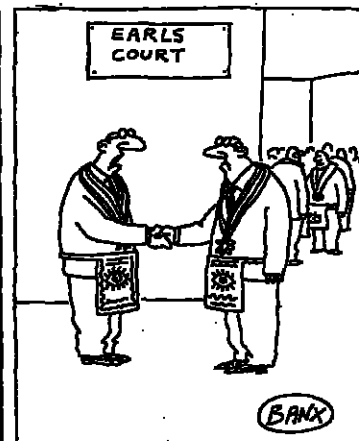
Oddly enough, the Mayor of Frankfurt is heading for London the week after next — could his trip be in anyway related? After all the Bundesbank has just rented the top 15 floors of Frankfurt's Messeturm, Europe's tallest building. It would make a fine address for a central bank.

Perhaps England's Old Lady should follow suit by speculatively taking the odd cubic mile of Canary Wharf.

Extra special

Are any companies retaining PR consultancies finding that the London Hilton on Park Lane is increasingly being recommended as a venue for product launches, press conferences and the like?

If so, and they're wondering why, the answer may lie in a "very special offer" by the hotel's general manager Michael Schuetzenberg to "all bona fide public relations professionals" who book the hotel



"I see you favour the Euro-sceptics' funny handshake"

for such a function between now and the end of the year. "...while you will be billed for the total amount spent with us," his letter tells them, "you will enjoy the benefit of a direct 8 per cent rebate to your company."

Exit of kin

It is rare to find family companies where the family knows when to quit. But Kalon, which has just made a hostile bid for fellow paint-maker Manders, is one such.

Leslie Silver, who founded the company in 1947, packed his bags a few months ago, sold the family's 47 per cent stake, and went off to enjoy his retirement chairing the board of Leeds United. His son and various sons-in-law, who might have enjoyed running their inheritance, had already stepped down from the board and handed over to professional managers. The hand-over is all the more remarkable because, before Silver's exit, the company had no non-executive directors, and had to turn to Sir Adrian Cadbury's quango Promed to find Silver's replacement, Roger Boissier.

"I never wanted to create a dynasty" says Silver who, now 67, started the business with a £250 gratuity on leaving the Royal Air Force. He remains faithful to his old firm, describing the bid for Manders as "a sensible and logical marriage". But then he can afford to be generous now he has sold almost all of his Kalon shares. Despite the obvious loyalty of many Kalon shareholders, the speed with which the new team wants to celebrate the Silver family's departure by issuing huge amounts of paper, may well ring an alarm bell or two.

Ideas appeal

Thinking caps on, please, on behalf of Ukraine. As if casting an independent country for the first time in three centuries and dealing with the wreckage left by 70 years of communism were not enough, the young nation is still struggling to cope with the effect of history's worst nuclear accident.

In its desperation, the government has turned to a novel approach. It has announced an international public competition for ways to prevent the unreliable cement sarcophagus which covers the melted-down Chernobyl reactor, from cracking and releasing another deadly cloud of radiation.

Any reader who can work out a solution is invited to submit it to the Ministry for Chernobyl, No 1 Lesia Ukrainka Square, Kiev, Ukraine. Alas, in its haste to inform the world of the competition, the government has so far neglected to specify the prize.

Ah so

From the instruction booklet of a Tokyo car-hire company: "When paddler of foot leave in sight, tootle the horn. Trumpet him melodiously at first, but if he still obstacles your passage then tootle him with vigor."

June

THE BEST THANKS A FATHER CAN HAVE.

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REMY MARTIN

FINE CHAMPAGNE COGNAC

UK investigators call for diplomatic pressure to unlock foreign trusts Help sought over Maxwell funds

By Andrew Jack

ACCOUNTANTS trying to trace the assets of the late Mr Robert Maxwell yesterday called on the British government to put diplomatic pressure on Liechtenstein and Switzerland to help them unlock information held in secretive foreign trusts.

Mr Peter Phillips, a partner with accountants Buchler Phillips and receiver to the personal estate of Mr Maxwell, said he needed high-level support to identify funds held in more than a dozen trusts in several countries overseas.

"Now the government has started using words like crime and fraud in relation to the Maxwell case, it should come out of its shell and offer help to groups trying to recover assets," he said. His views reflect the concerns

of other accountants and investigators searching for assets stolen from pensioners and creditors to the Maxwell empire who have found their work blocked by regulations to maintain secrecy.

They believe that substantial assets which they have been unable to locate may have been channelled through, or may be currently sitting in, offshore trusts which are refusing to co-operate.

Mr Neil Cooper, the partner at accountants Robson Rhodes who is liquidator of Bishopsgate Investment Management, manager and trustee of the Maxwell pension funds, said he had been offered no assistance in his search by the UK government. "We need jurisdictions overseas to recognise the special nature of this case, in which we are tracing stolen assets. That sets it aside

from the normal secrecy and privacy conditions by which these countries operate."

He said investigators still had no sense of the total value of assets which may have been held in trusts offshore, and were unable to see their accounts or to interview their directors.

Other accountants attempting to trace assets include partners at Arthur Andersen, administrators to more than 400 companies in the private Maxwell business empire.

The UK government said it would assist those tracing Maxwell assets by a special unit, the creation of which Mr Peter Lilley, social security secretary, announced in the House of Commons on Monday.

The Department of Social Security said that it would be holding discussions with anyone able to

assist in returning stolen assets either in the UK or in other countries. It saw no need to involve the Foreign Office in diplomatic discussions.

The unit is expected to be operating within days, and is assembling civil servants and private sector employees to work in it. The appointment of a chairman with financial experience drawn from the private sector is expected to be announced early next week.

Mr Cooper said: "We wait to see if the government is prepared to extend the channels being proposed to put pressure on banks and institutions to other institutions and to other states. We would welcome any assistance that could be given."

Maxwell bid \$500m for Orion Pictures, Page 5

US seeks to improve image at Rio summit

By David Lascelles and Christina Lamb in Rio de Janeiro

THE US stepped up its diplomatic offensive in Rio de Janeiro yesterday as President George Bush left Washington for the Earth Summit which reaches its climax today.

While Mr Bush repeated that he would not sign one of the summit's central treaties - on biological diversity - US summit delegates sought to improve their image in Rio, where the US has been largely isolated.

Critical problems remain to be resolved before more than 100 heads of state arrive. Germany and Brazil were last night co-ordinating negotiations in an attempt to bridge differences on finance and forests.

Although delegates were hopeful of an agreement on finance, efforts to reach a deal on a set of non-binding forest principles seemed headed for breakdown as the first heads of state, including UK prime minister John Major, landed in Rio.

Forests have proved the most contentious issue. A marathon negotiating session which ended yesterday morning appeared only to have widened north-south differences.

Mr Kamal Nath, forestry minister of India - which is proving the most obstructive on agreeing the declaration - described the position as "a stalemate".

Mr Celso Lafer, Brazil's foreign minister, said: "The expectation is that we can wrap everything up by the end of the day so that we have time for documents to be processed, translated and distributed by Sunday."

US administration officials, meanwhile, kept up attacks on the environmental records of other countries, which they say have unfairly criticised the US.

They singled out the high number of threatened German fish, mammal and bird species, as well as the level of imports of tropical woods into Japan and the European Community.

Mr William Reilly, administrator of the US Environmental Protection Agency, announced measures to beef up the conference's treaties.

The US wanted a "prompt start" on the climate change convention to limit greenhouse gases, Mr Reilly said.

This included quick ratification, stricter monitoring of power station emissions and a detailed national action plan to reduce greenhouse gases.

As he left for Rio yesterday, Mr Bush vowed that he would stand firm in his refusal to sign the summit convention on biological diversity.

With the UK agreeing this week to sign the convention aimed at protecting animal and plant species around the world, the US seems likely to be the only big country holding out against it. But Mr Bush said the convention contained provisions that had nothing to do with biodiversity and which could hinder US economic growth.

UK premier's pledge, Page 6
Southern discomfort, Page 16

LA PALABRA DE DIOS ESPERANZA PARA TODOS



Policemen in Caracas take cover from protesters throwing stones and Molotov cocktails at them. The inscription on the wall reads: The Word of God: Hope for all. Venezuela has experienced more than two weeks of violent student demonstrations, calling for the resignation of President Carlos Andrés Pérez

and his government, writes Joseph Mann in Caracas.

The country's largest business association, Fedecamaras, warned this week that the country was showing symptoms of "discomposition and anarchy that endanger the integrity of Venezuelan society and indicate a vacuum of power". In early

March, Mr Pérez promised a series of reforms after a failed military uprising against the government.

The leaders of the putsch criticised what they called Venezuela's corrupt and inefficient political system. Up to now, however, the government has made little progress on reform.

Russians open archives harmful to Gorbachev

Continued from Page 1

leadership as its domestic troubles worsen.

After they were taken over by the Russian authorities in the wake of the coup which ousted Mr Gorbachev in August last year, a decision was taken to open them to the public. But their declassification is still being dictated by the priorities of the Moscow leadership and financial constraints.

Dr Kirill Andersen, keeper of party archives ranging from the last century to 1963, has stopped giving out some documents because he has run out of bulbs to light some of the rooms in which they are stored.

In the absence of legislation

which would define what constitutes a state secret, Mr Pikhoy has drawn up a temporary set of rules to manage the archives.

In addition, extensive archives outside the reach of Central Committee, such as the archives of the KGB, are still completely out-of-bounds, ostensibly because revelations like those of the Stasi, the east German secret police, would be too divisive to Russia.

The archive of the Politburo, the ruling body of the Communist Party, plus the so-called presidential archive set up by Mr Gorbachev, also remain closed. It is believed that Mr Gorbachev, who is writing his memoirs, may have taken some of the material with him when he

left the Kremlin in December.

A further complication stems from emotive accusations that the Russian authorities are either giving away or selling off the archives to foreigners. Shortly after the coup, The Sunday Times newspaper in London was given access to reports on British Labour party leader Neil Kinnock's visits to the Soviet embassy, which, despite their triviality, were blown into a political scandal in the run up to the British general election.

Today, foreign journalists can get documents of their choice declassified early after paying hard currency for the staff's trouble: it costs \$1 to look at a document and \$4-\$10 to reprint a document.

Perot faces moment of truth at hands of talk show caller

Continued from Page 1

one with his wife, Barbara, when he returns from Rio.

Mr Perot is a master of the folksy aphorism and yesterday's performance was stuffed with them. The balanced budget amendment now before Congress "is an excuse not to do anything." And again: "We throw away more money than we print right now."

Mr Bush, he said, sent delegations to Iraq before the Gulf war "to burp, diaper and pamper Saddam Hussein". National health care reform was "like buying a new car - you check it out".

Consented government officials should "stand in airport queues and eat bad meals".

But glimmers of real policy also shine through the soundbites and one clear element of Mr Perot's is going to be to blame pernicious foreigners for many of America's domestic ills. Thus, borrowing from the well known anti-Japanese polemicist, Mr Pat Choate, he squarely put the blame for the plight of American dairy farmers on foreign interests.

"Make it illegal for foreign nations, foreign companies, foreign individuals, to lobby the US Congress or to get money directly or indirectly in any way, and

make it illegal for former government officials to cash in by making \$25,000 or \$30,000 a month lobbying for foreign countries," he said.

He repeated that most US international trade agreements had been twisted by foreign cunning and that the US must assert itself as the pre-eminent manufacturing nation.

Americans like this sort of language, more, at present, than Mr Bush's contradictions and Mr Clinton's finely measured wordiness. But like the little old lady worried about her social security, not everybody yet understands - or agrees with - Ross Perot.

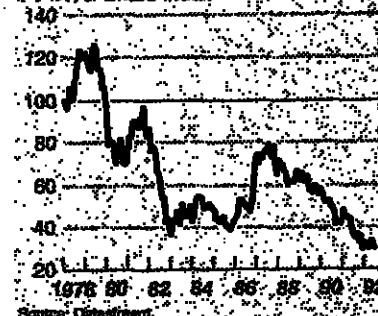
THE LEX COLUMN

Everything flat at MFI

FT-SE Index: 2614.1 (-22.0)

Pilkington

Share price relative to the FT-SE All-Share Index



is well positioned to wait.

For one thing the profit and loss account looks in reasonable order, with interest covered 1.3 times by net assets. There is, moreover, a £75m unrealised surplus on trading properties to keep profits moving ahead in the event of any tenant mishaps. The balance sheet, admittedly, is looking stretched by the company's past standards with a gearing ratio of around 130 per cent if the convertible capital bonds are treated as borrowing. It is a bit rich to exclude these for the purposes of calculating the ratio, then point out that each 1 per cent increase in gross assets translates into a 2.5 per cent rise in net assets. That said, while British Land will not want to push gearing higher than 150 per cent, it has ample facilities in place and can always raise cash from disposals.

The question is how much further the net asset value has to fall. Its overall 8.1 per cent running portfolio yield may be a full point lower than Land Securities' and Great Portland's, but some would argue that this can be explained by over-renting. British Land, moreover, looks to have written down its City properties pretty savagely since 1989 by comparison with its peers. At 215p the shares are not expensive, even assuming another modest hit this year.

Generators

No doubt unwittingly, the National Audit Office's report on the privatisation of the electricity generators is as revealing as its narrow conclusions are uncontroversial. It is difficult to dispute that the sale mechanisms adopted by the Department of Energy

were a success. In particular, the institutional book-building process increased the sale proceeds for taxpayers by several hundred million pounds. That helped offset costs of \$20m. Taxpayers did rather less well on the issue of the companies' assets. While \$110m of property was transferred out of the generators to Nuclear Power, they were left with roughly \$300m of surplus property whose value was adjusted down by £74m ahead of the sale. Those assets can be sold without penalty at the end of the decade.

Ahead of the sale, both generators successfully disputed the government's profit and dividend forecasts. Had the government view prevailed, the proceeds on a full sale might have been £360m higher. In the event, the government lacked confidence in its ability to obtain a fair price. Hence its decision to sell only 50 per cent of the shares. In view of the subsequent rise in power prices, that was just as well.

Perhaps most importantly, the report recalls that the companies began by demanding that they be sold with cash on their balance sheets, notionally to pay for cleaning up their power station emissions. After "prolonged negotiations," PowerGen capitulated completely and National Power accepted £480m of debt, a figure within \$50m of the government's original position. The report neglects to mention the reason why the companies reluctantly rolled over: during the dispute, minds were concentrated by the suggestion that PowerGen would be sold to Hanson. Taxpayers have one less reason to resent the latter's consummate avoidance of UK liabilities.

Pilkington

Pilkington's first dividend cut in its 22-year history as a public company is a bleak comment on the outlook for its markets. It is hard to see when the cut will be restored. Profits this year may be no higher than last, even without the burden of exceptional losses. In that case, the dividend will again be uncovered by earnings. Again, too, it looks like being paid not out of operating cash flow but from disposals. It is in cruel contrast with Pilkington's proud record of long-term investment that even a cut payment has to be funded by the partial dissolution of the company. At yesterday's 129p, the shares are on 23 times historic earnings before exceptional losses and yield only 6.2 per cent. There seems nothing to stop them falling further.

SCAPA GROUP PLC

Preliminary results for 12 months ended 31 March 1992

Sales £300.2 million (£290.9 million)

Pre tax profits £44.7 million (£42.3 million)

Earnings per share 13.2p (15.2p)

Interim dividend increased by 5 per cent to 5.36p

- Integration of the newly acquired companies going well.
- Longer term outlook for the Group businesses continues to look promising.
- Progress in product development and widening and increasing market share.

R W Goodall, Chairman

Copies of the Annual Report will be circulated to shareholders on 26 June 1992 and thereafter will be available from the Company Secretary, SCAPA GROUP PLC, Oakfield House, 93 Preston New Road, Blackburn, Lancashire BB2 6AY.



World Weather		°C	°F	°C	°F	°C	°F	°C	°F	°C	°F	°C	°F	°C	°F
Agordo	T	18	61	Boulogne	S	20	68	Frankfurt	F	18	64	Majorca	S	28	82
Algeria	S	26	79	Buenos Aires	S	18	64	Geneva	S	19	67	Malta	S	27	81
Amsterdam	S	10	50	Buenos Aires	S	23	73	Gibraltar	S	21	70	Mexico City	S	23	73
Atlanta	S	25	77	Buenos Aires	S	14	57	Guangzhou	S	28	82	Osaka	C	16	61
Bahamas	S	31	88	Buenos Aires	S	34	93	Habibaj	C	16	61	Palermo	C	28	82
Bahrain	S	38	100	Cape Town	S	18	64	Hong Kong	S	28	82	Paris	C	15	59
Bangkok	S	31	88	Casablanca	F	21	70	Houston	C	28	82	Rangoon	C	28	82
Barcelona	S	19	66	Chicago	T	13	55	Istanbul	C	16	61	Rio de Janeiro	S	28	82
Belfast	S	10	50	Cologne	S	15	59	Manila	C	18	64	Rome	C	17	63
Bombay	S	33	91	Copenhagen	S	21	70	Montreal	T	15	59	Saltzburg	C	18	64
Bordeaux	S	16	61	Cork	S	23	73	Moscow	S	15	59	Seoul	C	20	68
Buenos Aires	S	24	76	Dallas	T	28	82	Mumbai	C	27	81	Singapore	S	30	86
Calcutta	S	28	82	Dublin	F	16	61	Nassau	F	32	90	Sydney	S	15	59
Cardiff	S	10	50	Edinburgh	S	16	61	New Delhi	S	30	86	Taipei	S	28	82
Chennai	S	33	91	Florence	C	22	72	New York	F	18	64	Tel Aviv	S	28	82
Colombo	S	30	86	Geneva	S	15	59	Osaka	C	16	61	Tokyo	S	21	70
Dakar	S	28	82	Habibaj	C	16	61	Palermo	C	28	82	Yokohama	S	21	70
Dallas	T	28	82	Hong Kong	S	28	82	Rangoon	C	28	82	Yokohama	S	21	70
Damascus	S	28	82	Houston	C	28	82	Rio de Janeiro	S	28	82	Yokohama	S	21	70
Darwin	S	32	90	Istanbul	C	16	61	Rome	C	17	63	Yokohama	S	21	70
Delhi	S	30	86	Manila	C	18	64	Saltzburg	C	18	64	Yokohama	S	21	70
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Düsseldorf															

February 1992

INTERNATIONAL COMPANIES AND FINANCE

Uni Storebrand opens the year with fall to NKr26m

By Robert Taylor in Stockholm

UNI STOREBRAND, Norway's leading private insurance company, suffered a sharp fall in profits in the first four months of the year to NKr26m (\$4.17m) from NKr437m for the same period of 1991, it said yesterday.

The decline is partly due to the costs of trying to create a pan-Nordic insurance conglomerate over the past seven months after buying 8 per cent of Skandia, Sweden's leading insurance company.

Uni said it had lost NKr178m on the investment, including a

NKr27m writedown of shares that Uni also acquired in the Danish insurance group, Balthica, as part of its pan-Nordic design.

The attempt to create a Nordic insurance giant has yet to be resolved. Uni said it was holding further discussions with Skandia to try and find a solution.

On top of its problems over Skandia, Uni said its profit decline was also due to NKr123m paid out in insurance premiums for damage caused by the hurricane which hit Norway's north-west coast last January, as well as a NKr90m

increase in allocations for personal injuries and a lower profit from the company's investment portfolio.

But Uni said that the results laid the foundation for "a substantial improvement later in the year."

Its life assurance company made a profit of NKr800m for the first four months, with an increase of 20 per cent in premium income for life assurance.

By contrast, its non-life insurance activity saw a sharp fall in profits to NKr62m from NKr43m for the same period of last year.

Gloomy Pilkington cuts its dividend

By Maggie Urry in London

PILKINGTON, the UK-based glassmaker, yesterday slashed its dividend and warned it could see no sign of a recovery in trading conditions. The dividend cut was the first since it went public in 1970.

Sir Anthony Pilkington, chairman, said trading conditions "have been the worst anyone can remember".

Pilkington's main customers are the building and automotive industries, both important indicators of the economy's health. Sir Anthony said that in neither the UK nor the US could he see "the mechanism to start a recovery".

Pilkington shares fell 3p to 129p yesterday, but have fallen from 164p in early May as the City of London began to anticipate a dividend cut and BTR sold its 4.1 per cent stake.

Pilkington made a pre-tax loss in its UK business in the financial year to March 31. Overall, group pre-tax profits fell from £151.6m to £77m (£141.4m), after exceptional costs of £37m relating to redundancy and reorganisation costs.

In December, Pilkington maintained its first interim dividend at 2.59p. At that time, it hoped to hold the second payment at 7.57p, but yesterday it was cut to 3.07p. That gives a total of 5p for the year, a 40 per cent reduction.

Lex, Page 18; Details, Page 28

In defence of voting restrictions

David Waller on the business of exploiting German company law

ANGLO-SAXON merchant banks are making a living in Germany defending what - on their home patch - would be indefensible.

They are helping the management of large German companies fend off would-be predators with the help of mechanisms which restrict shareholders' voting rights.

Morgan Grenfell, the London-based merchant banking subsidiary of Deutsche Bank, Germany's largest bank, is advising Continental, the German tyre company, on how to defend itself against Pirelli as the Italian company tries to remove voting restrictions at its German rival.

S.G. Warburg, another London-based investment bank, is advising Continental, the German tyre company, on how to defend itself against Pirelli as the Italian company tries to remove voting restrictions at its German rival.

Continental is not alone in having such a restriction, or *Stimmrechtsbeschränkung* as it is known in Germany. A study conducted last year by Bank Julius Bär, a Swiss bank, showed that at least 17 large German companies have such a rule in place.

Among these are Deutsche Bank, Mannesmann, the engineering company, and BASF and Bayer, two of Germany's

big three chemicals groups. The restrictions at AMB are different in that they leave it entirely to the management to decide who should have a vote.

The other type of voting restrictions were granted to German companies by their shareholders in the early to mid-1970s. The purpose was explicitly to prevent Middle Eastern countries using the proceeds of high oil prices to buy up German industry.

Some feel, however, that these restrictions are anachronistic. They are seen as a way of making sure that German company directors lead comfortable lives, undisturbed by the threat of takeover.

Morgan Grenfell and Warburg deny the rules being exploited by their clients are primarily a management protection device.

"It is a method of preventing someone acquiring creeping control of the company without having to pay a proper premium," argues Mr Piens von Sinson of Warburg.

referring to the so-called *inkuherte Namensaktion*, special shares whose votes can only be entered on the share register

at management's discretion. Morgan Grenfell bases its defence on the argument that the restrictions are in the interest of minority shareholders.

"The major problem with the German system from a minority shareholder's point of view," says Mr Jeremy Lucas of Morgan Grenfell, "is that there are no rules obliging a predator to extend an offer to all shareholders. Minority shareholders are thus exposed to the danger of having an undesirable and unwelcome transaction forced on them by a 40 per cent shareholder."

These arguments are rejected by Pirelli and, more recently, Germany's largest small shareholder organisation. "Voting right restrictions in general negatively influence the value of shares," Pirelli said, and are "therefore detrimental to the interests of all shareholders".

The Düsseldorf-based Deutsche Schutzvereinigung für Wertpapierbesitz (DSW), with 10,000 small shareholder members, last week published an open letter to the Continental Vorstand, arguing that restrictions acted against the interest of minority shareholders. Shareholder ought to have votes in line with their economic interest in a company.

The Julius Bär study says the best way to prevent an unwelcome takeover comes not from voting restrictions, but from good business performance and communications.

In the spirit of this, a few insurance companies have shed their *inkuherte Namensaktion*. In the meantime, however, German companies and their advisers are making the most of these defences.

COB probes Schneider trades

By William Dawkins in Paris

FRENCH stock market regulators have opened an inquiry into dealings in the shares of Schneider, the electrical engineering and construction group.

The share prices of Schneider and its separately-quoted subsidiaries and holding group fell steeply this week, ahead of a shareholders' meeting at which Mr Didier Pineau-Valencienne, chairman, cut his profits forecast for this year.

Schneider had earlier told a meeting of financial analysts that profits would rise to about FF400m (\$78.93m) this year, instead of an estimated FF350m. This compares with a net profit of FF275m last year, and FF223.5m in 1990. The

readjustment reflects lower-than-expected earnings from Merlin Gerin, an electrical equipment subsidiary, due to its customers' caution over making internal investments.

The Commission des Opérations de Bourse, the stock exchange watchdog, said it was studying the way in which Schneider released this information as well as the trade in the shares. Schneider's share price stood at FF870 yesterday afternoon, 12.1 per cent down on the price on Tuesday, the day of the analysts' meeting.

This is similar to a COB inquiry last year into a sudden drop in the share price of Michelin, the tyre maker, after an analysts' meeting at which



it forecast a bigger than expected loss. Then, the COB criticised Michelin for not having informed the market before holding the meeting.

Buoyant British Land advances 7.4%

By Vanessa Houlder, Property Correspondent

MR John Ritblat, chairman of British Land, yesterday claimed he saw a turning point in the UK property market. "For the first time since 1989 we think we have now seen the worst," he said.

His remarks accompanied the announcement of a 7.4 per cent rise in profits to £33.3m (\$60.6m) from £31.0m for the year to March 31. Net assets per share fell 18 per

cent from 401p to 329p. Mr Ritblat, a veteran of the 1974 property crash when British Land's share price dropped to 3.5p, said this property slump was "far more serious" than that of the early 1970s.

However, he said he thought that investors in good quality property were beginning to come back to the market, even though it would take several years for rental values to improve.

"Markets may be flat and difficult, but we believe that they

will respond to a selectively improving trend," he said.

Mr Ritblat said he did not expect further writedowns in his portfolio this year. He hoped that writing down book values by 60 per cent over three years in the City of London, the worst-affected investment market, had "removed any further downside from the equation."

A final dividend of 4.28p was declared, making a total of 6.35p against 5.75p. Lex, Page 18

Kalon in £106m bid for paint rival

By Peter Pearce in London

KALON GROUP, the West Yorkshire-based paint manufacturer, yesterday launched a hostile £106.1m (\$197m) bid for Manders (Holdings), the Wolverhampton paints, inks and property group.

The eight-for-three all-paper offer values each ordinary Manders share at about 289p. Manders shares closed up 54p at 291p, while Kalon's eased 24p to 108p.

ING profits advance 8.8% to Fl 358m in first quarter

By Ronald van de Krol in Amsterdam

INTERNATIONALE Nederlanden Group (ING), the Dutch banking and insurance company, said first-quarter net profit rose by 8.8 per cent to Fl 358m (\$206m), on turnover up 8 per cent at Fl 12.5bn.

The pre-tax profits of the group's insurance activities

rose by 8.5 per cent to Fl 228m, outstripping a 4.5 per cent increase to Fl 256m at NMB Postbank, ING's banking arm.

Strong growth in international lending helped ING's total loan portfolio expand by 3.1 per cent to Fl 130.4bn in the first quarter compared with the quarter to December 31 1991. Although growth in the important domestic lending

sector was limited to less than 1 per cent, foreign lending rose by 13.1 per cent.

Fortis, the Belgian-Dutch insurance group, reported a 17.5 per cent rise in first-quarter net profit to Ecu7.3m (\$54.93m) with all main sectors except car insurance posting higher results.

Operating profit grew more slowly, rising by 10.6 per cent

to Ecu72.0m. Revenues were up 22.9 per cent at Ecu2.3bn.

The rise in net profit was aided by a sharp increase in capital gains to Ecu28.6m from Ecu17.0m. The company, formed in 1990 through the merger of Amey, the Dutch insurer, and its Belgian counterpart, Groupe AG, said full-year capital gains may not reach the 1990 and 1991 levels.

NEW ISSUE

This announcement appears as a matter of record only.

June, 1992



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WORMS & CIE



A Leading International Investment House
with interests in
Banking - Insurance - Industry
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1991 Consolidated Results

• Total net profit after tax	FF 1,002 million
• 16.6 % dividend increase to	FF 7 per share
• Market capitalisation (at 1st June 1992)	FF 11,000 million

"Our 1991 results reflect
a strong performance overall
in a difficult economic environment.
Our low gearing and our diversification
make us well placed
to benefit from any improvement
in these market conditions."

Nicholas Clive Worms
Senior Partner

If you require a copy of the Annual Report or would you like more information
about the company, please call Isabelle de Noailles. Phone (33) 1 42 66 90 80.

INTERNATIONAL COMPANIES AND FINANCE

Sony breaks silence on Mini Disc

By Michio Nakamoto

SONY, the Japanese electronics group, is gearing up its marketing and publicity campaign for the introduction of its Mini Disc, an 8cm recordable compact disc which it hopes will capture the portable music market, valued at well over \$10bn.

After a prolonged silence, which aroused speculation that the Mini Disc was facing technical difficulties, Sony has recently been demonstrating its product throughout world markets. It wants to dispel ideas that Mini Disc is being overshadowed by a rival product, the digital compact cassette (DCC), to be launched by Philips later this year.

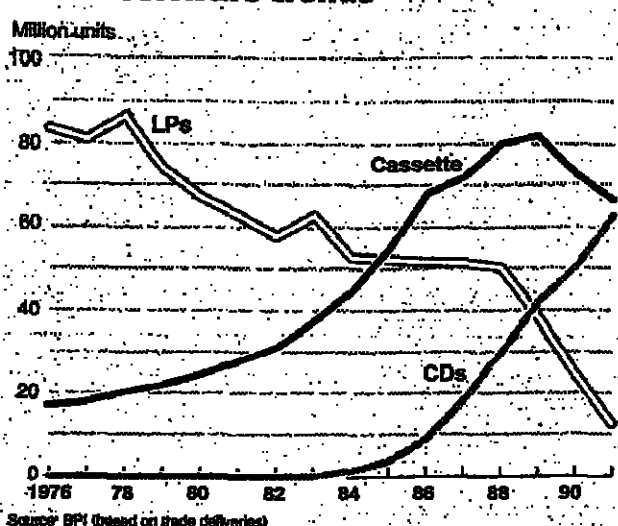
"Product development is progressing on schedule," Sony said at a Europe-wide demonstration in Salzburg this week. "We now have the facts and can start talking."

A crucial technology which Sony demonstrated at Salzburg was the recording capability of Mini Disc, which had been of particular interest among industry-watchers.

Prototype models of the Mini Disc player shown included a gold radio cassette boom box model, a lightweight playback-only Mini Disc Walkman, and a slightly heavier recordable Walkman.

Sony said the hardware, planned for introduction in Europe by Christmas, would be priced at below DM1,000 (\$625).

Music software trends



Source: IFPI (based on trade deliveries)

for playback-only models, and 25 per cent more for a portable record/playback unit.

It plans to ship 1m hardware units in the first year of production, with 250,000 allotted for Europe.

Pre-recorded discs, of which there will be an initial 300 titles, are expected to cost about the same price as Compact Discs, while blank discs will be priced at around DM15.

Three of Sony's own production facilities in Japan, the US and Europe are ready to produce a total of 1.5m discs worldwide within the year.

Breaking the silence about the Mini Disc should go some way in dispelling rumours that

Sony's new product was plagued by a difficult technology, and a format that was too different and too small to appeal to either consumers or retailers.

The group has addressed the problem of the size - which would have forced retailers to invest in completely new racks for display - by fitting the 7cm by 8cm discs into a case as big as, and shaped like, a cassette tape case.

However, Sony, whose Mini Disc will be competing with DCC, a digital audio cassette to be launched by Philips and its licensee, still has some catching up to do in marketing and publicity.

Its Dutch rival, which has shown a previously-unknown zeal for marketing the product, has already won widespread industry support from hardware manufacturers and recording companies.

Sony, by contrast, has lagged behind Philips in winning industry support.

There have been signs of resistance within the software industry to a product that they worry could kill CD sales.

Recording companies to have signed up to release music on Mini Disc format include Sony Music Entertainment and EMI. Negotiations are still continuing with Warner Music Group, a division of Time Warner.

Polygram, which is 90 per cent owned by Philips, has no plans yet to release on Mini Disc.

Sony, which has been set back recently, first with the failure of Betamax, its VCR format, and then with digital audio tape, is nevertheless confident that consumers, if not record companies, will vote for its technology.

Sony believes the main reason cassette tape sales have fallen is because of their lack of random access, which Mini Disc has but DCC, being a tape, does not.

"DCC is not the right product to address the demands of consumers," it says. And once consumers show their preference for Mini Disc, record companies will not be able to dictate what medium their artists record on.

Swedish forestry group down sharply

By Robert Taylor in Stockholm

SCA, Sweden's second-largest forestry company, yesterday announced a sharp drop in profits for the first four months of the year, to SKr204m (\$35.47m) from SKr1.10bn for the same period of 1991. Net sales dropped to SKr10.60bn from SKr11.52bn.

Mr Martin Lof, chief executive, forecast profit (after financial items) for the whole of 1992 would be between SKr400m and SKr500m. This compares with a profit of SKr1.22bn for last year.

SCA has been able to cushion the fall impact of the recession in the pulp and paper industry through its extensive restructuring programme, designed to produce savings of SKr1bn. The company estimated that there had been savings of SKr365m in the first four months of this year.

The company has a much more diversified range of products than other Swedish forestry groups. This, however, has not stopped the fierce price war in the pulp and paper industry from affecting its sales of pulp and paper products.

Operating profit for the packaging business fell in the first four months by 21 per cent, to SKr161m from SKr203m. It made an actual loss of SKr94m in its graphic paper division compared with a SKr106m profit last time.

SCA's operating profit in forest and timber activities dropped 27 per cent, to SKr100m from SKr135m. By contrast, there was a 7 per cent improvement in its operating profit for hygiene products, to SKr252m from SKr235m, due to higher volumes and improved production efficiency.

Mr Lof said SCA's recovery depended on the pace of the business revival in the US and Europe. He said there were some welcome signs of an upturn in the US packaging industry, with a particularly sharp improvement in volume in the corrugated liner sector.

Threat to Bond Corp reconstruction

By Kevin Brown in Sydney

AUSTRALIAN Consolidated Investments (ACI) yesterday withdrew from the management committee overseeing the financial reconstruction of Bond Corporation Holdings, formerly run by Mr Alan Bond, the bankrupt entrepreneur. The withdrawal, announced in a statement to the Australian Stock Exchange, could cause the collapse of the reconstruction, and force Bond Corp to put its few remaining assets into liquidation.

It follows an earlier decision by ACI to stop working capital payments of up to A\$1m a month, provided for under a scheme of arrangement worked out last year between Bond Corp and its creditors.

However, officials said Bond Corp might be capable of financing its scaled-down operations from other sources, allowing it to continue the reconstruction without the co-operation of ACI.

ACI, formerly Mr Robert Holmes a Court's Bell Resources, is Bond Corp's largest secured creditor. It would emerge with about 11 per cent of the group's capi-

tal under a scheme of arrangement worked out last year.

ACI is believed to be in dispute with Bond Corp management over the group's use of its working capital payments, and the repayment of Bond Corp's debt to ACI of about A\$168m (US\$128.20m).

Most of Bond Corp's assets have been sold to pay debts. The group retains small shareholdings in BSKyB, the UK satellite television operator, and G. Helleman, the US brewery. It also owns land in Australia.

Separately, ACI announced the cancellation of a proposed A\$20m flotation of the Bass Strait oil royalties owned by Weeks Petroleum, a wholly-owned subsidiary company.

Mr Colin Henson, executive director, said the acquisition of ACI by Rossington Holdings, a holding vehicle controlled by Sir Ron Brierley, had "changed" the assumptions on which the float was to proceed.

Rossington, jointly-owned by Brierley Investments of New Zealand and GFG, Sir Ron's quoted UK company, owns 85 per

cent of ACI following a protracted takeover battle.

Rossington made no secret of its opposition to the float of Weeks' royalties, which it claimed were being disposed of too cheaply. At one stage, Rossington took court action to delay the despatch of the offer documents.

Mr Bond, who was jailed for two and a half years last month for breaches of company law, is expected to remain in Royal Perth Hospital for several days for tests to determine the cause of chest pains.

His condition was said to be stable. The state's supreme court is expected to rule today on an application for bail pending an appeal against conviction and sentence.

In Sydney, the federal court granted an order to Mr Robert Ramsay, trustee of Mr Bond's bankrupt estate, freezing the assets of Mr Bond's A\$2.7m pension fund.

The order restrains the trustees of the fund from dealing with the assets other than in an administrative way until the court decides who is entitled to them. Mr Ramsay claims the assets belong to Mr Bond's creditors.

Quaker Oats to keep Italian unit

QUAKER Oats, the US foods group, has decided not to sell its Italian edible oils business. Reuters reports from Chicago.

Garma, an enterprise of Mr Raul Gardini and Mr Giulio Malgara, former president of Quaker's European grocery products business, had shown interest in buying the Italian oils business and distributing Quaker products in Italy.

Mr William Smithburg, chairman, said: "After evaluating Garma's proposal and prospects for the oils business, we decided it is in the current best interest of our shareholders to keep it."

Writedowns hit net at James Hardie

By Kevin Brown

JAMES Hardie Industries, the Australian building products group, yesterday announced a 92 per cent reduction in net profit, to A\$5.9m (US\$4.5m), for the year to the end of March. Sales were ahead 4.6 per cent to A\$1.3bn.

The reduction in net profit was caused by an abnormal loss of A\$73m following a decision to write down the value of intangible assets and the group's investment portfolio.

Mr David Say, managing director, said the writedown followed plant closures caused by rationalisation, and the

introduction of a revised accounting standard on the valuation of assets.

CSR, the building products and sugar group, recently announced a net loss of A\$38m after writing down plant, equipment, goodwill and trademarks by A\$558m to comply with the revised standard.

The abnormal loss at James Hardie was dominated by a A\$73m provision against the cost of closing three fibre cement plants in Australia.

The group also wrote off A\$37m against a US cement plant, A\$15m against intangible assets, and A\$19m to bring

investments into line with market values.

The write-offs were partly offset by a A\$56m abnormal gain from the sale of James Hardie's 45 per cent shareholding in Spicers Paper late last year.

The board cut the final dividend by 25 per cent to 6 cents, partly franked, making a total dividend for the year of 12 cents, compared with 17 cents the previous year.

Mr Say said the group would restore the dividend as soon as profits improved. However, there were only patchy signs of recovery, and the outlook for the current year was unclear.

Central Capital bidders to meet regulator terms

THE THREE companies bidding for Central Guaranty Trust, the core company in the troubled Central Capital financial services group have now agreed to buy all of it, writes Robert Gibbens.

National Bank of Canada and Canada Trustco, a subsidiary of Imasco, the finance conglomerate, had proposed buying two-thirds of Guaranty's business, leaving the remaining one-third unsold.

These two companies, to satisfy federal regulators, now say they will be more flexible on the Guaranty assets they seek. Together with Montreal Trust, a subsidiary of BCE, they will make a new offer.

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Interest Amount per
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ACN 000 001 276

CSR

NOTICE to the holders of the outstanding

A\$129,200,000 CSR OPTION BONDS 11 DEC 1992

NOTICE IS GIVEN that: - the number of CSR A\$1.00 ordinary shares to be issued on conversion of each fully paid Option Bond (the "Specified Number") has been adjusted in accordance with the anti-dilution provisions under the terms of the bond issue.

- the Specified Number adjustment takes effect on 16 July 1992.
- the current Specified Number of 102,6797 CSR ordinary shares for each option bond converted, shall apply until 5 pm, 15 July 1992.
- Bondholders who lodge their notice of option bond conversion with CSR or any of the other conversion agents, before 5 pm, 14 July 1992, will also qualify for the 1992 final dividend of A\$0.10 per CSR ordinary share, to be paid on 5 August 1992.
- from 9.00 am, 16 July 1992, the Specified Number of 104,7528 CSR ordinary shares for each option bond converted, shall apply. The 1992 final dividend will not apply for option bonds converted on or following this date.

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D. Menden Company Secretary

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Notice of Merger

NOTICE IS HEREBY GIVEN, in accordance with Clause 4 (A) of the instrument dated 2nd November, 1989 under which the above described Warrants were issued, that by a merger agreement (the "Merger Agreement") dated 29th May, 1992 entered into between the Company and Hanshin Real Estate Co., Ltd. ("Hanshin Real Estate"), a consolidated subsidiary of the Company, Hanshin Real Estate will merge into the Company subject to approval at the meetings of the shareholders of Hanshin Real Estate and of the Company to be held on 23rd June and 28th June, 1992, respectively. The merger will become effective as of 1st October, 1992.

The Company will be the continuing corporation pursuant to the Merger Agreement, and in accordance with Clause 3 (vi) of the instrument, there will be no adjustment to the subscription price of the Warrants with respect to shares of common stock of the Company to be issued to shareholders of Hanshin Real Estate in proportion to their respective shareholdings in Hanshin Real Estate immediately prior to such merger.

Hanshin Electric Railway Co., Ltd.

By: The Sumitomo Trust and Banking Company, Limited
as Principal Paying Agent

Dated: 12th June, 1992

At the Annual General Meeting held in Luxembourg
on Friday, May 29th, 1992, the shareholders of

Attel Finance SA

approved a dividend of 23 US cents per share,
an increase of 15% over the dividend paid in 1991.

The dividend is payable on June 18th, 1992 against
presentation of coupon No. 6 at the offices of
Banque de Luxembourg SA, 80, Place de la Gare,
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INTERNATIONAL COMPANIES AND FINANCE

Investcorp pays \$375m for Circle K business

By Nikki Tait in New York

CIRCLE K, the Arizona-based convenience store chain, has signed a definitive agreement for the sale of its business to CR Acquisitions, an investor group led by Bahrain-based Investcorp.

The price tag, however, is only \$375m, compared with \$425m envisaged under a preliminary accord three months ago.

Circle K filed for bankruptcy protection over two years ago, and the deal is subject to approvals from both the bank-

ruptcy court and the company's creditors.

The preliminary agreement was opposed by the official bondholders' committee at Circle K, although three other creditor groups have already said that they support the revised deal.

Circle K operates some 3,400 convenience stores in 32 states. Investcorp and its partners, meanwhile, have built up significant retail interests in the US - most notably, acquiring Saks Fifth Avenue, the department store chain, from Britain's BAT Industries.

Child World, the ailing toy retailer which is also operating under the protection of Chapter 11 of the US bankruptcy code, has petitioned the courts for permission to liquidate stocks and close remaining stores.

The company said it was in talks with Lionel Corporation about merging the two companies' businesses, but that in the absence of an agreement, it expects to initiate going-out-of-business sales "within a short period of time".

A bankruptcy court hearing has been set for June 15.

Lyonnaise des Eaux sees 20% recovery

By William Dawkins in Paris

LYONNAISE des Eaux Dumez, the French water utility-to-construction group, yesterday forecast a 20 per cent profits recovery for the current year and said more asset sales were on the way.

Mr Jérôme Monod, chairman, said that the group expected to achieve the earnings improvement despite the continuing poor climate in building and construction.

Net profits last year fell to FF1.17bn (\$218.3m) from FF1.4bn in 1990.

Mr Monod said the group was planning to sell a 2 per cent stake in Havas, the French media group, next month and its remaining 1.9 per cent in Havas some time in the next year.

The group was also planning to sell United Westburne, its loss-making Canadian building materials subsidiary, but not before 1993, by when United Westburne should be breaking even.

The group made a FF1.87bn profit from asset sales last year, in line with its policy of focusing on its main businesses and curbing debts.

Mr Jean-Louis Beffa, chairman of Saint Gobain, the glass and pipe-making group, yesterday forecast that net profits this year would exceed last year's FF2.5bn.

The US economy showed clear signs of recovery and sales in Germany were holding up well, he told a shareholders' meeting.

Correction Investment in Quebec survey

THE chairman of Hydro-Quebec is Mr Richard Drouin, not Brown, as wrongly stated in a picture caption on page three of the Investment in Quebec survey on June 2.

Upjohn re-applies for FDA approval of contraceptive

By Alan Friedman in New York

UPJOHN, the US drugs company, has applied to the Food and Drug Administration (FDA) in the hopes of getting approval to market an injectable contraceptive product in the US.

The company said it would seek approval a second time to market the drug Depo-Provera as a contraceptive.

In the 1970s, the FDA declined to give the green light for the drug's marketing as a contraceptive because of questions about its safety. A board of public inquiry, later asked by Upjohn to review the FDA decision, ruled against the company in 1984.

The key concern at the FDA was data from an Upjohn study suggesting Depo-Provera caused breast cancer in beagles. The FDA has since decided the beagle dog was not an appropriate animal model for predicting cancer effects in humans.

The drug is, however, already on the US market for use in treating kidney and endometrial cancers. Analysts estimate its US sales at \$106m, while revenues from non-US markets, where the drug is

sold in some 90 countries as a contraceptive and as an anti-cancer product, are estimated at an additional \$74m. More than 30m women in 60 countries are understood to use the drug as a contraceptive.

Although Upjohn has not conducted any new studies of the drug since withdrawing its last application, it has told the FDA a study by the World Health Organisation concluded the use of Depo-Provera as a contraceptive did not constitute a health risk.

Mr Melvin Goodes, chairman of Warner Lambert, the US pharmaceutical and consumer products group, expects second-quarter 1992 net earnings per share to rise by 13 per cent year-on-year, suggesting a net profit of about \$175m. Earnings per share would be about \$1.30, against \$1.15 in the same period of 1991.

Mr Goodes said the rise would place Warner Lambert on track to improve full-year 1992 earnings by about 15 per cent. But full-year comparison is only appropriate when comparing 1991 earnings before a \$544m accounting adjustment, and other restructuring charges. Net income in 1991 was only \$34.8m after all charges were taken.

Wang files more patent suits against Japanese

By Louise Kehoe in San Francisco

WANG Laboratories, the US office computer company, has filed suit against the US subsidiaries of Mitsubishi Electric and NMB Semiconductor, both of Japan, charging that they are selling products that infringe Wang patents.

Wang claims Mitsubishi and NMB used its patented single in-line memory module (SIMM) technology without license. A SIMM is a holder for multiple memory chips that plugs into a computer circuit board to add

memory capacity. The devices are widely used in personal computers.

The suits are the latest move in an aggressive patent enforcement effort by Wang. Last August, Wang won a similar case against NEC and Toshiba.

The US court awarded Wang damages of \$9.8m and ordered the two companies to halt manufacturing and sale of SIMMs in the US.

Since then, Wang has reached licensing agreements with over 30 US and foreign companies.

Chrysler to appeal wipers fine

CHRYSLER, the US car-maker,

is to appeal a federal jury's decision to fine it \$11.5m for infringing inventor Mr Robert Kearns' patent for intermittent wipers. Reuter reports from Detroit.

"We believe the amount of the verdict is unreasonable and excessive, and far exceeds any possible value of the Kearns' patents," Chrysler said.

"Chrysler developed and patented its own intermittent windshield wiper system, which we believed and continue to believe did not

infringe Mr Kearns' patents."

Mr Kearns, 84, won the patent case against Chrysler last December. A federal jury found that Chrysler infringed on four patents for intermittent wiper systems designed by Mr Kearns.

However, in the latest decision, the jury ruled Chrysler's infringement was not willful and ordered the company to pay Mr Kearns \$0.90 for every vehicle sold with the wiper system between May 1977 and August 1988. According to court documents, Chrysler sold

12,564,107 vehicles during that period.

Mr Kearns said he was seeking anywhere from \$3 to nearly \$30 per car, or \$37.7m to \$377m in damages. Had the jury found Chrysler's actions willful, US District Court Judge Avern Cohen could have awarded Mr Kearns triple damages.

Mr Kearns, a former engineering professor, said he would also file an appeal with the US Circuit Court of Appeals in Detroit to seek an extension of his patents, which expired in 1988.

ConAgra predicts small earnings rise for year

By Nikki Tait

CONAGRA, the diversified US food group, expected earnings per share to show only a small advance for the year ended May 31.

It predicted that earnings for the 12 months would be about \$1.50 a share, compared with \$1.42 in 1990-91. Earnings for the final quarter would probably be static at around 43 cents.

Some parts of ConAgra's business have faced tough operating conditions in recent months. Its consumer frozen foods business has been embroiled in a price-war, with

ConAgra's Healthy Choice brand coming under intense pressure from other manufacturers of reduced calorie frozen dinners, like Nestlé and Heinz.

On the cattle feed front, ConAgra said there was a return to profits "a few months ago", but it acknowledged that chicken products, like cattle feed, experienced a cyclical downturn in 1991-92. It suggested results here could improve "meaningfully" in the new financial year, if industry supply was not excessive.

ConAgra said 1992-93 earnings should rise "significantly" in the last nine months, after a flat first quarter.

Equity move at Salomon Bros

By Martin Dickson in New York

SALOMON Brothers, the New York investment bank recovering from last year's Treasury bond auction scandal, yesterday moved to strengthen its battered US equity operation with the appointment of Mr Rodney Berens as co-head of the department.

Mr Berens, 47, formerly in charge of global research at Morgan Stanley, will share responsibility for the department with its existing head, Mr Bruce Hackett, and like him will join the executive committee which runs the securities firm.

CONTRACTS & TENDERS

TELECOMMUNICATIONS OUTSIDE PLANT PROJECT

Prequalification Notice To Prospective Bidders

The HUNGARIAN TELECOMMUNICATIONS COMPANY LTD. is to invite Bidders in 1992 for the installation of a local loop access network in Central Budapest.

The size of the area to be cabled is approximately 5 square kilometres. The installation is for approximately 85,000 lines, the majority of which shall be realized with copper wire cables. Major corporate users and remote switching unit(s) shall be connected to the central exchange with optical transmission lines.

The tender will call for the provision of materials including cable, installation of a new duct and cable network, and cut-over work associated with a new exchange installed by another Contractor.

The work to commence early 1993 with completion by early 1994.

The project will partly be financed by the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT. The tender is expected to be issued in late July, 1992, under the guidelines of EBRD.

Individual companies and consortia who have the capability to complete this major project and who wish to be considered for prequalification are invited to submit a capability statement containing:

- company profile including type and size of the company, and financial statements for the last 2 (two) years,
- details of similar telecommunications projects completed in the last 10 (ten) years,
- current contracts being executed, by value and completion date,

to the following address:

HUNGARIAN TELECOMMUNICATIONS COMPANY LTD.
Mr. A. Kovács
Tender Bureau
Budapest
Krisztina krt. 55.
Hungary H-1541
Tel.: +361-155-5198
Fax.: +361-155-0446

by 10th July 1992

Companies and consortia seeking further information should contact HTC at the above address.

Qualified Bidders will be invited to prepare their bids in accordance with the tender documents.

TELECOMMUNICATIONS RURAL DEVELOPMENT PROJECTS Prequalification Notice To Prospective Bidders

The HUNGARIAN TELECOMMUNICATIONS COMPANY LTD. is to invite Bidders in 1992 for the turn-key realisation of two associated projects in the frame of HTC's Rural Development Program, partly financed by the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

Accordingly, two independent tenders are expected to be issued in late July, 1992, under the guidelines of EBRD. The tenders will cover 11 rural districts (primary areas) of Eastern Hungary, managed by 4 regional Directorates of HTC. Sub-projects, covering one region each, will be awarded independently, therefore Bidders will be allowed to submit their bids for either region.

The work to commence early 1993 with completion of all regions by early 1995.

- Rural Microwave Systems Project:

This project will cover the design, supply, delivery, installation and commissioning of

- 7 point-to-multipoint subscriber radio systems, operating in the 1.5 GHz band, located in 2 regions (managed by the Miskolc Directorate and Debrecen Directorate), and

- 18 point-to-point multichannel radio links, operating in the 15 GHz band with 2,8 and 34 Mbps transmission speeds, respectively, located in 3 regions (managed by the Budapest Regional Directorate, Miskolc Directorate and Debrecen Directorate),

including the microwave and multiplex equipment together with the associated antenna towers, containers, power supply units, etc..

- Rural Cable Networks and Transmission Systems Project:

This project will cover the design, supply, delivery, installation and commissioning of optical ground and aerial cables (with 6 fibres, as an average) as well as 2 to 34 Mbps transmission systems. The associated outdoor plants shall be constructed in an overall route length of 450 km. Along the optical routes local copper wire cables (with 15 to 100 quads) shall also be laid within the settlements on an overall length of 200 km. 34 optical transmission systems shall be established together with the required multiplex configurations. The project will involve 11 districts of 4 regions (managed by the Budapest Regional Directorate, Miskolc Directorate, Debrecen Directorate and Szeged Directorate).

Individual companies and consortia who have the capability to complete any of these major projects and who wish to be considered for prequalification are invited to submit a capability statement containing:

- company profile including type and size of the company, and financial statements for the last 2 (two) years,
 - details of similar telecommunications projects completed in the last 10 (ten) years,
 - current contracts being executed, by value and completion date,
- to the following address:

HUNGARIAN TELECOMMUNICATIONS COMPANY LTD.
Mr. A. Kovács
Tender Bureau
Budapest
Krisztina krt. 55.
Hungary H-1541
Tel.: +361-155-5198
Fax.: +361-155-0446

by 10th July, 1992.

Companies and consortia seeking further information should contact HTC at the above address. Qualified Bidders will be invited to prepare their bids in accordance with the tender documents.

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On November 5th an empire collapsed.

The discovery of Robert Maxwell's body in the sea off Gran Canaria sparked a series of questions that have remained unanswered for too long.

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THE BIG LIE: INSIDE MAXWELL'S EMPIRE.

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The story tells of the complicated web of deceit into which so many were drawn. "THE BIG LIE", unravels this web and explains how one man was able to delude the financial world.

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It begins tomorrow, only in the FT, and it answers the questions he never would.

No FT...no comment.

PAN-HOLDING

The Annual General Meeting of Shareholders which took place on June 1, 1992, approved the accounts for the year 1991. The Unconsolidated Profit and Loss Account shows a Net Profit of USD10,929,860.

After the transfer to the Contingency Reserve of the net realised gain on sales of investments and on foreign exchange of USD 6,833,205, there remains a net investment income of USD 4,096,655.

The Annual General Shareholders' Meeting declared a 1991 annual dividend of USD 9.50 to shareholders of record at close of market on June 30, 1992. This compared to the USD 8.50 dividend paid in 1991 for the year 1990. It should be noted that an extraordinary dividend of USD 1.50 was also paid that year in honor of the Company's 60th anniversary. The USD 9.50 dividend, which is free of withholding tax in Luxembourg, will be payable as from July 1, 1992 onwards.

The Chairman indicated that cash reserves represented nearly 13% of assets as compared to nearly 20% at the end of 1990. During the course of the year, the North American segment of the portfolio rose to roughly 27% of assets (versus 23% at the end of 1990), whereas the European allocation fell by 5.5 points, declining from 43.5% to 38%. Investments in the Pacific Basin rose by 8 points, increasing from 12% to 20%; Japan represented no more than two thirds of this regional allocation, the remaining third having been invested in the smaller Asian markets, notably Hong Kong and Singapore.

The unconsolidated net asset value as of December 31, 1991 was USD 541.71 for each of the 550,000 shares of USD 200 par value forming the capital. This value compares with USD 491.08 as of December 31, 1990, for each of the 615,000 shares of USD 100 par value, which represents an increase of 10.31% for the year 1991. Taking into account the USD 10.00 dividend paid, the increase is 12.34%.

As of May 31, 1992, the unconsolidated net asset value amounted to USD 548.81 per share, showing an increase of 1.31% when compared to the unconsolidated net asset value as of December 31, 1991.

As of May 31, 1992, the consolidated net asset value was USD 566.43 against USD 555.84 as of December 31, 1991.

EVOLUTION OF PAN-HOLDING OVER FIVE YEARS

Pan-Holding shareholders were therefore well protected over both short and long-term periods. Over the past five years (end of May, 1987 through end of May, 1992, i.e. until the eve of our General Meeting) which spanned a particularly difficult period (1987 stock market crash, 1989 mini crash, Gulf war, recession...) the net unconsolidated asset value of Pan-Holding expressed in USD and excluding dividends, increased by 27.93%. Over this same period, the Morgan Stanley World Index (MSCI World) expressed also in USD posted only an 11.63% increase. Considering Pan-Holding's geographically diverse shareholder base, results varied according to the currency of reference. Thus, US Dollar based investors benefited fully from the USD share price appreciation (+27.87% over five years, the discount having remained stable). For European based investors, the fact that Pan-Holding is quoted in USD, has historically been to their advantage. However, over the period currently in question, the dollar's weakness (down approximately 12% over 5 years versus various European currencies) resulted in a lesser level of stock price appreciation (approximately +12% over 5 years).

In conclusion, the management principles of Pan-Holding (broad international diversification and long term investment strategy) which support the goal of capital appreciation with minimum risk, are still valid. This policy has led to the avoidance of the sometimes brutal consequences of short term market volatility, and has offered good long term protection to all shareholders, regardless of their base currency.

INTERNATIONAL CAPITAL MARKETS

Brokers' secret weapon is wrap

Patrick Harverson examines the appeal in the US of these accounts

IN Wall Street's drive to discover new ways to make money from retail stock-broking, the wrap account has become an important weapon. Yet this hottest new product in the money management business has itself recently come under fire with critics arguing that the wrap account gives investors little in return for their money.

The concept is not particularly new - early versions date back a decade or more - but it is only in the past year or so that the product has really taken off with individual investors.

Normally, broking houses charge customers for a variety of separate services like investment advice, order execution, custody and clearing - charges that fluctuate depending on how often the customer trades in the market.

With a wrap account, the broker handles over the responsibility of managing the customer's assets to an approved professional money manager, and in return the customer pays the broker a flat fee (based on a percentage of the assets under management) for finding the money manager and servicing the account.

For the investor, the wrap account has a two-pronged appeal. First, it puts a cap on broking costs. Investors prefer paying a flat fee because it prevents stockbroking firms from promoting high-commission

products or indulging in "churning" - the unnecessary trading of stocks in a customer account just to boost revenues.

The second selling point is that investors with \$50,000 to \$100,000 in their brokerage accounts can get access to professional money managers who normally handle individual accounts valued in their millions. In a country where the best investment managers are treated like superstars, this is a strong draw for private investors.

To the money manager, wrap accounts not only bring in extra business, but it is business that requires no marketing or servicing effort. All the manager has to do is make the investment decisions.

Stockbrokers, meanwhile, love wrap accounts. They are an especially lucrative product. The standard fee is usually between 2 per cent and 3 per cent of the assets held in the account. In comparison, investors pay 1 per cent or less for investment funds, and brokers' commission charges for trading stocks in an average busy account are even less.

The wrap account also attracts the type of investor brokers love - the conservative client who is more likely to stay with the broking firm, who is likely to be less active in trading the market (thus keeping brokers' execution costs down), and who may end

up allowing the broker to handle all of his financial assets.

This is the great prize brokers hope the wrap account will help them win. As the US savings rate rises, Wall Street is competing hard with banks and insurance companies to attract the billions of new investment dollars.

Yet stockbrokers are not the only financial companies to discover the allure of wrap accounts. Banks like Chase Manhattan, insurers like Equitable and giant fund groups like Fidelity are also now offering versions of the wrap account to customers.

It is difficult to get hold of statistics to show how fast they have grown, although industry experts estimate that about \$30bn is currently held in wrap accounts. Shearson Lehman is the leader in the field, and has 60,000 clients in wrap accounts with total assets of \$13bn. Moreover, they are currently selling like hot cakes. A few weeks ago an executive at the firm said that Shearson was selling wrap accounts at the rate of \$7,000m a month.

Despite its popularity with investors, the wrap account has its critics in the investment community. The common complaint is that the 3 per cent annual fee is far too high, and that investors get little in return for

their money that they cannot get cheaper elsewhere.

Brokers say investors get access to the investment expertise of top-level money managers. Yet money in a big US investment fund is in the hands of equally experienced professionals, and the average expense ratio on mutual funds is 1 per cent of total assets.

Contrary to what some investors may think, their wrap account does not entitle them to particular individual attention from the money manager.

Mr John Geffert, an investment consultant with the Randolph Group in Connecticut, believes the small fee that the money manager receives (usually around 0.5 per cent of the assets), makes it improbable that he or she will devote a great deal of time to the account. "You can't be available to a \$100,000 client who is paying you only 50 basis points a year," says Mr Geffert.

There are also concerns about disclosure (how much do investors know about who is managing their money, where it is being invested, and how the fee is split between broker and manager?), about potential conflicts of interest between broker and manager, and about the quality of managers recommended by brokers.

There are 17,000 registered investment advisers in the US, and any one of them could



Wrap accounts are proving hard to beat on Wall Street

manage a wrap account. In their defence, brokers say they only choose the best to put before customers.

Industry concern about wrap accounts has been sufficient to attract the attention of the Securities and Exchange Commission. At the behest of the

investment community, the SEC has been looking into wrap accounts for about a year. Although it has no current plans to take any action, industry insiders believe the least the SEC will want to do is improve the level of disclosure to wrap account holders.

HK Macau in hotel deal

HONGKONG Macau (Holdings), a mainland-controlled property investment group, has announced plans to acquire an 81 per cent stake in the Hyatt Xian Hotel for US\$42.8m. AP-DJ reports from Hong Kong.

The purchase from Land-trade Engineering & Development, a closely-held Hong Kong group, will be partly financed through a share issue.

Hongkong Macau said it would issue 16m shares, representing 10.4 per cent of its existing capital, at HK\$14.30 each, an 8.3 per cent premium to their previous close.

Tightening of controls on Japanese non-banks delayed

By Robert Thomson in Tokyo

THE PROTRACTED parliamentary debate over Japanese peace-keeping personnel has delayed the passage of amendments tightening the Ministry of Finance's control over Japan's non-banking financial sector.

Non-banks, meaning consumer credit, leasing and housing finance companies, have become the Japanese financial establishment's favourite scapegoat for the rampant lending for stock and land speculation in the late 1980s.

In wanting to be seen to be tackling speculation, the Finance Ministry, with broad

support from Japanese politicians, has proposed revisions of the Loan Business Law that will force the non-bank institutions to provide more information about their business activities.

By pushing for the changes, the ministry is extending its authority over a sector which has been the responsibility of the Ministry of International Trade and Industry (MITI), as non-banks such as leasing companies are in Japan more closely identified with industry.

MITI does not oppose these amendments, which may be presented to parliament today, depending on the fate of the

peacekeeping debate, but it is concerned that increasingly tough controls will strangle the companies' important industrial role.

The non-banks are concerned by the vague wording of the proposed amendments. For example, it is proposed that the Finance Ministry exercise greater authority over the institutions' loans related to "stocks, etcetera".

"We are very worried about that etcetera," said Nippon Shinpan, the country's largest consumer credit company. "A lot depends on how they interpret etcetera. We are watching very closely."

Mr Tsutomu Hata, the

finance minister, argues that non-bank lending has grown "quite quickly" over the past few years, and "we need rules to ensure their credibility".

From last March, the ministry was empowered to gather information on non-banks' property loan exposure, and the planned revisions will allow it to demand details about other types of loans and about large customers.

Part of the concern of companies such as Nippon Shinpan is that the ministry will continue to crack down on so-called "non-banks", while taking a softer line on the bank non-banks, the affiliates of commercial banks which were particu-

larly active speculative lenders during the late 1980s.

Leading Japanese banks have links to hundreds of these non-banks, and the Finance Ministry is keen to play down their problem loans as it was responsible for their behaviour and because it wants to ease fears about the health of the banking system.

The non-banks independent of banks fear that the ministry is using parliamentary concern about collapsing stock and land prices to fulfil a long-held ambition to restrict their activities. However, the ministry insists a tightening of control is a necessary result of the non-banks' larger lending role.

This announcement appears as a matter of record only.

NEW ISSUE

11th June, 1992

TOYOTA

TOYOTA MOTOR CORPORATION

(Incorporated with limited liability in Japan)

U.S.\$1,000,000,000
6 7/8 per cent. Bonds 1997

ISSUE PRICE 101.205 PER CENT.

Nomura International
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Swiss Bank Corporation
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S.G.Warburg Securities

This announcement appears as a matter of record only. All the foregoing securities have been sold and purchased.

SANDHURST ASSETS INC.

9000 Sunset Boulevard, Suite 903
Los Angeles, CA 90069
USA

TEL: (310) 247-4560
FAX: (310) 247-8257

Has acquired effective 30th September 1991
in a private transaction

CANNON EXHIBITION LIMITED
Formerly a wholly owned
subsidiary of
Cinema 5 UK LTD.
for £8,000,000
The company owns 44 cinemas
in the United Kingdom

Has acquired effective 13th December 1991
in a private transaction

5000 Shares representing
10% of
COMFINANCE S.A.
for £15,000,000

U.S. \$100,000,000

GW

Great Western Financial
Corporation

Floating Rate Notes Due 1995

Interest Rate	5 1/4% per annum
Interest Period	12th June 1992 14th September 1992
Interest Amount per U.S. \$50,000 Note due 14th September 1992	U.S. \$685.42

Credit Suisse First Boston Limited
Agent

U.S. \$500,000,000

CITICORP

Subordinated Bank Adjustable Note Capital Securities BANCs
Notice is hereby given that the Rate of Interest has been fixed at
4.25% and that the interest payable on the relevant Interest Pay-
ment Date September 14, 1992 against Coupon No. 23 in respect of
US\$50,000,000 nominal of the Notes will be US\$554.86.

June 12, 1992, London
By: Citibank, N.A. (Issuer Services), Agent Bank

CITIBANK

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Florence House
32 Southgate Street
Witchamper
Hants SO23 5EN
Tel: 0962 879764
5th Floor

U.S. \$600,000,000

Malaysia

Floating Rate Notes Due 2009

Interest Rate	5 1/4% per annum
Interest Period	12th June 1992 14th December 1992
Interest Amount per U.S. \$10,000 Note due 14th December 1992	U.S. \$269.79

Credit Suisse First Boston Limited
Agent

The Chase Manhattan Corporation

U.S. \$400,000,000
Floating Rate Subordinated Notes due 2009

For the three months 11th June, 1992 to 11th September, 1992
the Notes will carry an interest rate of 5 1/4% per annum with a
coupon amount of U.S. \$134.17 per U.S. \$10,000 Notes, payable
on 11th September, 1992.

Bankers Trust
Company, London

Agent Bank

COMPANY NEWS: UK

Pledge to limit price rises below regulator's target

Welsh Water rises to £138m

By Angus Foster

WELSH WATER yesterday became the first of the ten privatised water and sewerage companies to pledge to raise prices by less than already allowed by Ofwat, the water regulator, until 1995.

The company said it would limit price increases to 5 per cent above the rate of inflation, unless the situation changed "exceptionally".

The original price cap, set during the 1989 privatisation, was 6.5 per cent above inflation until Ofwat's review in 1995.

All the water companies have agreed to limit price increases this year, often in response to Ofwat pressure, but Welsh Water is the first to extend its pledge.

Mr John Elford Jones, chairman, said the new cap was a reward for customers. "It will help consumers' pockets," the regulator said.

But the decision was poorly received on the stock market, where the shares fell 18p to 45p. SG Warburg, the broker, estimated that the price cap would reduce profits by £4m-£5m a year.

Pre-tax profits increased 8 per cent from £128m to £138m

in the year to March 31.

Turnover increased 17 per cent to £342m (£293m), mainly due to average price rises of 16.2 per cent. Prices are set to rise a further 9.3 per cent this year.

At the interim stage, Welsh profits rose 7 per cent to £73m (£72.7m).

Net interest income fell from £33.2m to £18.3m due to increased capital investment of £189m. Earnings per share rose to 88.4p (82.2p). The proposed final dividend of 14.37p (13p) raises the total for the year to 21.4p (19.5p).

The company's non-regulated businesses, which were developed aggressively following privatisation, performed poorly. There was a £800,000 trading loss from an environmental services associate, and a £300,000 loss on its disposal.

Hamdden, its hotel and leisure group, had a "disappointing" year.

Dividend income of £3.5m was earned from the 15 per cent stake in South Wales Electricity. The electricity company regards the stake as unworkable and is refusing to discuss possible joint ventures.

Will Welsh's price cap be enough to pre-empt the regulator, or is it simply further proof of how generously the company's K allowance was set? Certainly the regulator may decide that if Welsh can forego 1.5 per cent price rises voluntarily, it can do without at least that much again without causing any damage. Equally worrying was Welsh's insistence that its diversification policy has been "cautious" when most in the City would describe it as anything but. If Welsh is merely paying lip-ser-



Rewarding customers: Graham Hawker (left) managing director and John Elford Jones, chairman

vice to the regulator, so be it. But if the company has really changed its mind about the non-core business, some of the premium accorded in expectation of higher, non-core growth must now be reviewed. Forecast profits for this year of £144m put the shares on 4.9 times, with a yield of 6.5. But until such questions are answered, and the re-jigged management is up and running, Welsh may continue to see selling pressure.

Oxford Instruments shares tumble on 29% profits fall

By Peggy Hollinger

SHARES in Oxford Instruments underperformed a declining market by tumbling 10 per cent to 229p, as the advanced instrumentation company revealed a sharper-than-expected 29 per cent fall in profits.

The pre-tax return of 28.6m for the year to March 29, struck on sales 5 per cent lower at £103.3m, was about 5m lower than London analysts had expected. Losses estimated at about £3m at three subsidiaries were believed to have been behind the sharp decline.

Mr Peter Williams, chairman and chief executive, held out little hope for an improvement

in the current year, saying that new orders received by Oxford were about 17 per cent down to £56m on the previous year.

The dividend is raised from 2.8p to 2.9p for a total of 4.3p (4.15p). Earnings per share fell from 16.8p to 14.7p.

The good news came from Oxford's joint venture with Siemens in magnetic body scanners, which increased its profit contribution by 44 per cent to £5.1m. This was due to an increased share of a market which was largely static, Mr Williams said.

Profits were also helped by the £1.3m tax benefit on the release of provisions relating to asset disposals in 1991. The tax charge fell from £3.99m to £1.45m.

Ratners sells Watches of Switzerland for £23.2m

By John Thornhill

RATNERS GROUP, the struggling jewellery business, has sold its Watches of Switzerland chain for £23.2m cash, helping to ease its strained working capital position.

The buyer is Asprey, the luxury goods group centred on its flagship jewellery store in London's Bond Street but which also includes Garrard, the Crown Jewellers, and Maplin & Webb.

Watches of Switzerland, which operated as an upmarket stand-alone business within the Ratners portfolio, has experienced tough trading and saw pre-tax profits fall from £2.65m to £257,000 last year on sales of £21.7m. At February 1, it had net assets of £19.2m.

The chain has 25 stores throughout the UK and will help Asprey's strategic aim of broadening its geographic coverage. It was brought into Ratners with the acquisition of the H Samuel business in 1986. Mr Jim McAdam, Ratners chairman, said he had achieved a "fair price" for the chain - although it is believed to have been far less than the company was originally seeking.

Mr Naim Attallah, Asprey deputy chairman, said he thought it was a "marvellous" deal. "I think the Watches of Switzerland name is just magical," he said.

Ratners will retain its interest in Watches of Switzerland's headquarters in Aylesbury and may be able to benefit from recovery of past years' corporation tax taking the value of the deal to £24m.

Asprey is financing the acquisition by means of a seven year term loan fully underwritten by Lloyds Bank in order to retain short-term financial flexibility.

Bone china lift for John Tams

The recession continued to hit John Tams Group, the USM-traded earthenware and bone china manufacturer. Over the 12 months to end-March, profits slipped from £2.83m to £1.64m on turnover down just 3 per cent to £19.5m.

Volunteers were broadly maintained but margins were squeezed, said Mr Gerald Tams, chairman. Nevertheless, the outcome masked an improved second-half performance, particularly in bone china.

The company acquired Royal Grafton just before the year-end, a move that "opens new markets for us" Mr Tams said. It should add sales of some £3m in the current year.

Earnings per share fell to 4.92p (5.34p); a final dividend of 2.41p holds the total at 4p.

Smith New Court doubles on strong equity turnover

By Simon London

BUOYANT TURNOVER in the UK equity market allowed Smith New Court, one of London's leading marketmakers, to more than double profits last year.

Pre-tax profits for the year to April 24 amounted to £18.4m (£7.6m). Earnings per share advanced sharply to 23.4p (4.1p) basic and 16.6p (8.8p) fully diluted. A proposed final dividend of 3.5p brings the total for the year to 4.5p (3.5p).

Mr Michael Marks, chief executive, said the distribution reflected the policy of paying "a gently rising dividend" against the background of a cyclical equity market.

After dividend payments of £5.4m (£5.1m), the group transferred £5.7m (£2.7m) to

reserves. Total reserves now stand at £11m.

The return on equity was about 20 per cent last year, against an average of 10 per cent for Stock Exchange member firms. Analysts estimated that Smith takes about 20 per cent of UK equity market-making and 9 per cent of agency broking business.

In 1991, return on equity was only 8 per cent, depressed by the low level of equity market turnover around the time of the Gulf war. In 1990 the group returned 13 per cent on equity.

An exceptional charge of £1.3m was taken to cover the cost of closing the equity broking business in Australia which had operated for five years. The group has no immediate plans to open new offices or close existing operations.

Mr Marks said: "A significant European presence is clearly needed in the longer term and the client base will drive us towards this. Although I do not rule out an acquisition in this area, we are more likely to grow organically."

The results excluded £10.7m paid by Citibank in March following a US court ruling in favour of Smith over its purchase of shares in Ferranti International Signal in 1989. Citibank has appealed against the award.

Mr Marks said Smith intended to "vigorously defend the appeal", although the process could take over a year. If a favourable ruling on the appeal is achieved, the £10.7m plus interest will be taken into the profit and loss account.

Scapa rises despite setbacks in UK and North America

By Angus Foster

SCAPA GROUP, the manufacturer of specialist products for the printing and paper industries, yesterday announced a 5.6 per cent increase in pre-tax profits, from £42.3m to £44.7m, in the year to March 31.

Mr David Dunn, finance director, said the increase came despite recession in its main markets of the UK and North America. But Scapa was helped by favourable exchange rate movements and contributions from new acquisitions.

Turnover increased 3.2 per

cent to £300.2m (£290.9). Sales and operating profits held firm in North America. But in the UK, where the company is more exposed to the recession-hit automotive and chemical industries, operating profits fell to £9.3m (£14.6m).

At the interim stage, Scapa increased pre-tax profits 2.5 per cent to £20.3m (£19.8m).

Net interest costs were £1.8m, down from £6.1m, helped by the proceeds of last year's £55.6m rights issue. Net borrowings fell to £44.3m (£57m) and gearing dropped to 22 per cent (31 per cent).

There was an extraordinary

loss of £112,000 (profit £10.5m), mainly due to business closures.

Earnings per share fell to 13.3p (15.2p), reflecting the higher number of shares in issue after the rights issue.

The company is recommending a final dividend of 3.44p (3.65p) to make a total of 5.38p (5.1p), a 5 per cent increase.

Mr Dunn said turnover in Europe should grow strongly this year following the acquisition of Scandinavia in Sweden, which was only completed in January. In a full year, this company should add about £35m to sales, he said.

Morland attacks Greene King record

By Richard Gourley

MORLAND, the Thames Valley-based brewer fighting a hostile £104m bid, yesterday attacked predator Greene King's investment record and marketing strategy.

Sir Humphrey Prideaux,

Morland chairman, also promised a forecast of pre-tax profits, earnings per share and dividends for the year to September 1992.

Morland's advisers said the offer, which Greene King, the east Anglia-based brewer, has made final, undervalued the

company. "A business of Morland's quality deserves a much higher price than is on the table. They have closed the door at far too low a level."

Morland said that Greene King had lost large amounts of money investing in leisure activities.

Gascoigne sale nets £5.5m for Spurs

By Jane Fuller

TOTTENHAM HOTSPUR, the north London football club controlled by Mr Alan Sugar and Mr Terry Venables, has received nearly £6m after completing the sale of Paul Gascoigne to Lazio of Italy.

After paying about £300,000 to Newcastle United, Gascoigne's former club, and other expenses, Tottenham will gain £5.5m.

This will give it net cash for the first time for some years. Debt peaked at about £15m and the previous biggest contribution to its reduction was a £7m rights issue announced in December and underwritten by Mr Sugar, the

chairman, who also heads Amstrad, the consumer electronics group.

Mr Colin Sandy, finance director, said the net cash achievement followed expenditure of about £2.5m on players. However, a further £2m remained to be paid in stages.

Apart from the Gascoigne sale, Tottenham's 1992-93 profits will benefit from a new £1.9m three-year sponsorship contract with Holsten, the German lager company. This roughly doubles the previous contract figure.

The Premier League's proposed television deal with BSkyB, the satellite broadcaster, should bring in £1.5m, much more than the previous

figure for Football League matches. Amstrad distributes satellite dishes and Mr Sugar has been a leading advocate of the BSkyB deal.

A further fillip will be provided by a "duel" between Tottenham and Lazio. Tottenham said yesterday that Mr Venables, chief executive, was negotiating the television rights for the home and away games. TV fees and gate money could total £500,000.

Tottenham returned to profit in the six months to November 30 with £810,000 pre-tax in a period that included most of the close season. Results for the year to May 31 are expected to be announced in September.

GOLD FIELDS COAL LIMITED

(Incorporated in the Republic of South Africa)
(Registration No. 01/0124/06)

DECLARATION OF DIVIDEND

The company has declared an interim dividend (No. 156) of 40 cents per ordinary share in South African currency, payable to members registered at the close of business on 26 June 1992.

Warrants payable on 5 August 1992 will be posted on 4 August 1992.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 26 June 1992 in accordance with the above-mentioned conditions.

The register of members will be closed from 27 June to 3 July 1992, inclusive.

By order of the Board,
per pro GOLD FIELDS CORPORATE SERVICES LIMITED
London Secretaries
S.J. Dunning, Secretary

United Kingdom Registrar:
Bancays Registrars
Roume House
94 Beckett Road
Buckingham, MK1 8PS 4TL

London Office:
Greenwich House
Trafalgar Street
London, SW1P 1DH

11 June 1992
A Member of the Gold Fields Group

NOTICE TO SHAREHOLDERS

NEW EUROPE HOTELS N.V.

6, John B. Gorslaweg Willemstad
Curaçao Netherlands Antilles

Notice is hereby given of the Annual General Meeting of Shareholders of NEW EUROPE HOTELS N.V. (the "Company") to be held on June 30, 1992 at 3.00 p.m. (Netherlands Antilles time) at the address specified above.

Shareholders may be represented at a General Meeting by a proxy duly empowered in writing. Holders of Bearer Shares or their duly appointed proxy shall only have access to a General Meeting if they present their bearer certificates or if they present a certification from a reputable bank, financial institution, custodian or depositary confirming that such bank, financial institution, custodian or depositary holds such certificates, either directly or through some other financial institution or depositary; for such person and that such bank, financial institution, custodian or depositary shall not release such person's interest in such certificates nor commence holding such person's interest in such certificates for a third party until the end of the General Meeting to be held.

The Board of Managing Directors has prescribed proxy forms pursuant to Article 13, paragraph 5, of the Company's Articles of Incorporation. A proxy form, if any, must be submitted to the Company by a shareholder not later than June 26, 1992 at 3.00 p.m. (Netherlands Antilles time). A certification, if any, from a bank, financial institution, custodian or depositary as described above must be submitted by a holder of Bearer Shares not later than June 26, 1992 at 3.00 p.m. (Netherlands Antilles time).

A notice, containing the agenda of such meeting, a proxy statement and a proxy form will be mailed to each holder of Registered Shares. Holders of Bearer Shares may obtain these documents without charge at the address specified above or Herengracht 433, Amsterdam, The Netherlands.

THE BOARD OF MANAGING DIRECTORS

Taurus Participants Rules

The London Stock Exchange has published for consultation the Taurus Participants Rules that it proposes to make under powers delegated to the Exchange under The Uncertificated Securities Regulations 1992. The rules set out the procedure for admitting participants to the Taurus system and the criteria they must satisfy. Published with the rules are draft Application Forms, a draft Taurus Financial Requirements Manual and a schedule of proposed admission fees.

Representations about the proposals (and, in particular, representations as to the cost of complying with the proposed provisions) can be made to the Exchange until 31 July 1992. They should be addressed to Simon Wilkinson, Secretariat, the London Stock Exchange, London EC2N 1HP.

Copies of the proposed rules, Application Forms, Financial Requirements Manual and the schedule of admission fees are available from the Exchange's Taurus Action Line (Tel 071-797 3030).

London STOCK EXCHANGE

The National Home Loans Corporation plc

Notice of Meeting
of
the holders of the
U.S.\$100,000,000
8 3/4 per cent. Notes due 1992
of the Issuer
(the "Noteholders" and the "Notes" respectively)
To the Noteholders

NOTICE IS HEREBY GIVEN that a Meeting of the Noteholders convened by the Issuer will be held at 11.00 a.m. (London time) on Monday 6th July, 1992 at 150 Aldersgate Street, London, EC1 for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 7th July, 1987 made between the Issuer (1) and The Law Debenture Trust Corporation p.l.c. (2) and constituting the Notes:

Extraordinary Resolution

THAT THIS MEETING of the holders of the U.S.\$100,000,000 8 3/4 per cent. Notes due 1992 of The National Home Loans Corporation plc (the "Noteholders", the "Notes" and the "Issuer" respectively) constituted by the Trust Deed dated 7th July, 1987 (the "Trust Deed") made between the Issuer (1) and The Law Debenture Trust Corporation p.l.c. (the "Trustee") (2) hereby RESOLVES THAT the Conditions of the Notes be amended with immediate effect as follows:

(A) by deleting from Condition 6(A) the words "7th July, 1992" and replacing them with the following "21st August, 1992"; and

(B) by the addition at the end of Condition 4 of the following: "The Notes shall continue to bear interest as from 7th July, 1992 until 21st August, 1992 at the rate of 8 3/4 per cent. per annum, payment of such interest to be made on 21st August, 1992."

and that the Trustee be and is hereby authorised and required, in order to give effect thereto, to enter into the Supplemental Trust Deed in the form of the draft produced to the Meeting (a copy of which has been signed for identification by the Chairman of the Meeting) with such modifications as the Trustee may in its absolute discretion think fit.

Further Details

The modifications proposed by the Resolution set out above would result in the date for redemption of the Notes being deferred from 7th July, 1992 to 21st August, 1992. Interest will continue to accrue on the Notes from 7th July, 1992 to 21st August, 1992. Payment of the interest due on 7th July, 1992 will be made on and from that date against presentation and surrender of (as the case may be) duly endorsed relevant Certificates at any specified office of any of the Paying Agents. Payment of the interest due on 21st August, 1992 will be made against presentation and surrender of (as the case may be) duly endorsed relevant Certificates at any specified office of any of the Paying Agents.

The Issuer has been holding discussions with a steering committee of banks and the lead managers of its outstanding bond issues with a view to developing appropriate financing arrangements for the Issuer as a result of these discussions the Issuer has now reached agreement with its banks on terms for refinancing all its bank debt, subject to the execution of satisfactory documentation.

As part of these new financing arrangements detailed proposals will need to be put to the holders of the Issuer's outstanding bonds (including the Notes). In order to allow time for the proposals for Noteholders to be finalised, it is necessary to seek a deferral of the redemption date of the Notes. It is intended that the details of the new financing arrangements, which will involve modification of the terms and conditions of the Notes (including the terms of repayment), and information on the background to the reasons for the new financing arrangements will be available for Noteholders in sufficient time to allow Noteholders to consider and vote on the proposal at a further meeting to be held before the proposed deferred redemption date of 21st August, 1992.

The Board of the Issuer believe that the proposal for deferral is in the interests of the Issuer and the Noteholders and accordingly the Board recommend Noteholders to vote in favour of it.

Copies of the Supplemental Trust Deed referred to in the above-mentioned Resolution (or a draft thereof, subject to completion and amendment) are available for inspection by Noteholders at the specified offices of any of the Paying Agents for the Notes set out below (but only on production of evidence satisfactory to the relevant Paying Agent as to status as a Noteholder) and at the Meeting itself.

In accordance with its normal practice, the Trustee expresses no opinion as to the merits of the proposed modifications (which it was not involved in negotiating) or the Resolution contained in this Notice but has authorised it to be stated that, on the basis of the information contained in this Notice, it has no objection to the Extraordinary Resolution being submitted to the Noteholders for their consideration.

The attention of Noteholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph 2 below. Having regard to such quorum Noteholders are strongly urged to take steps to be represented at the Meeting as referred to below as soon as possible.

Voting and Quorum

1. Entitlement to Vote

A Noteholder wishing to attend and vote at the Meeting in person must produce at the Meeting either the Note(s) or a valid voting certificate or valid voting certificates issued by a Paying Agent relative to the Note(s) in respect of which he wishes to vote. A Noteholder not wishing to attend and vote at the Meeting in person may either deliver his Note(s) or valid certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions. A person holding Note(s) through Euroclear or Cedeil (both as defined below) may, not later than 72 hours before the time appointed for holding the Meeting, request Euroclear or Cedeil (as the case may be) to procure the issue of voting certificates or the giving of voting instructions in accordance with the relevant procedures of Euroclear or Cedeil (as the case may be). Euroclear or Cedeil will hold or deposit the relevant Note(s) to the order or under the control of any Paying Agent (to the satisfaction of such Paying Agent) in accordance with the provisions of this paragraph. "Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system. "Cedeil" means Cedeil S.A.

To obtain voting certificates, Note(s) must be:

(i) deposited, before the time appointed for holding the Meeting, with any Paying Agent, or

(ii) held to the order or under the control of any Paying Agent (to the satisfaction of such Paying Agent), before the time appointed for holding the Meeting, by any other person approved by such Paying Agent.

To give voting instructions, Note(s) must be:

(i) deposited, not less than 48 hours before the time appointed for holding the Meeting, with any Paying Agent, or

(ii) held to the order or under the control of any Paying Agent (to the satisfaction of such Paying Agent), not less than 48 hours before the time appointed for holding the Meeting, by any other person approved by such Paying Agent, together in each case with the voting instruction form referred to above.

Notes so deposited or held will be released at the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) or upon the surrender of the voting certificate(s) to the Paying Agent who issued the same or upon surrender, not less than 48 hours before the time for which the Meeting is convened, of the voting instruction receipt(s) issued in respect thereof to the Paying Agent who issued the same.

2. Quorum

The quorum required at the Meeting for passing the Extraordinary Resolution set out above is two or more persons present holding Notes or voting certificates or being proxies or holding or representing in the aggregate not less than two-thirds of the principal amount of the Notes for the time being outstanding. If within 15 minutes after the time appointed for holding the Meeting the required quorum is not present at the Meeting, the Meeting will be adjourned (for such period, being not less than 14 days nor more than 42 days, and to such place as may be appointed by the Chairman of the Meeting and approved by the Trustee) and the Extraordinary Resolution will be considered at such adjourned Meeting (notice of which will be given to Noteholders). The quorum required at such an adjourned Meeting is two or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-third of the principal amount of the Notes for the time being outstanding.

3. Voting

Every question submitted to the Meeting shall be decided in the first instance by a show of hands unless a poll is duly demanded by the Chairman of the Meeting or the Issuer or by two or more persons present holding Notes or voting certificates or being proxies or holding or representing in the aggregate not less than one-fifth part of the principal amount of the Notes then outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or a proxy shall have one vote. A poll may be demanded before or on the declaration of a show of hands. On a poll, every person who is so present shall have one vote in respect of each U.S.\$1 in principal amount of the Notes so produced or represented by the voting certificates so produced or in respect of which he is a proxy.

4. Majority

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the persons voting thereon upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such poll. If passed, the Extraordinary Resolution will be binding upon all the Noteholders, whether present or not at the Meeting and whether or not voting, and upon all holders of coupons relating to the Notes.

Principal Paying Agent

Commerzbank Aktiengesellschaft

Neue Mainzer Strasse 32-36

6000 Frankfurt/Main 1

Paying Agents

Commerzbank Aktiengesellschaft

Brussels Branch

Avenue des Arts 19H

1040 Brussels

Commerzbank International S.A.

11, rue Notre-Dame

2240 Luxembourg

Registered office:

St Catherine's Court

Herbert Road

Solihull

West Midlands

B91 3QE

Commerzbank Aktiengesellschaft

London Branch

10/11 Austin Friars

London EC2N 2HE

Commerzbank (Switzerland) Ltd

Limmatstrasse 7

CH 8001 Zurich

By order of the

Board of Directors

of The National Home

Loans Corporation plc

Mrs P.J.R. Hall

Secretary

THIS NOTICE IS IMPORTANT. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE IN RESPECT OF ANY ASPECTS OF THESE PROPOSALS THEY SHOULD CONSULT THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

Dated 12th June, 1992

GLOBAL GOVERNMENT PLUS FUND LIMITED

International Depository Receipts Issued

Morgan Guaranty Trust Company of New York

Global Government Plus Fund Limited announced today that a total of

337,254 common shares representing approximately 8.14% of its

outstanding shares had been tendered pursuant to the offer dated May 8,

1992 and which expired on May 28, 1992 made by the Company to

purchase up to 25% of its outstanding common shares. Subject to the

terms and conditions of the offer, the purchase price payable for each

common share tendered and accepted by the Company for payment will be

the net asset value of the Company on June 10, 1992 divided by the total

number of issued and outstanding common shares.

Depository: Morgan Guaranty Trust Company of New York, Brussels

Office.

US\$ 500,000,000

Floating Rate Subordinated Loan

Participation Certificate (Series 2000)

Issued by J.P. Morgan GmbH

for the purpose of funding and

maintaining a subordinated loan to

The Dai-ichi Kangyo Bank, Limited

Notice is hereby given that the rate of interest applicable to payments under the certificate

corresponding to payments of interest under the loan is, for the interest period from 11th

June, 1992 to 11th September, 1992, 4.25% per annum, with a Coupon Amount of

US\$ 2,115.28 per US\$ 250,000 Certificate, payable on 11th September, 1992

Dai-ichi Kangyo Bank (Luxembourg) S.A.

Agent Bank

FAR-EAST EQUITY MANAGEMENT COMPANY S.A.

(Incorporated in Luxembourg)

NOTICE TO SUMO FUND UNITHOLDERS

Announcement to the Management Regulations of SUMO FUND

The Board of Directors held at Luxembourg, on May 22nd, 1992, at 10.00 a.m.,

approved that the name of the Collective Investment Fund "Sumo Fund" be

changed into FAR-EAST EQUITY FUND. This modification will be applicable

as from June 1st, 1992, i.e. 5 days after the publication in the "Moniteur

Officiel" of the "Sumo Fund". Unitholders in the "Sumo Fund" may

transfer their units/certificates for stamping at the offices of the paying agent,

United Overseas Bank (Luxembourg) S.A., 17 rue des Bains, L-1212

Luxembourg.

After July 20th, 1992, only stamped units/certificates will be of good delivery on

the Luxembourg Stock Exchange.

As at May 22nd, 1992, the Management Company has modified its name into

FAR-EAST EQUITY MANAGEMENT COMPANY S.A.

Luxembourg, May 22nd, 1992.

Extract certified true

FAR-EAST EQUITY MANAGEMENT COMPANY S.A.

United Overseas Bank (Luxembourg) S.A.

A. Hondolphi L. Vanden Bussche

Director Director

COMPANY NEWS: UK

Salvesen pulls out of German distribution

By Jane Fuller

CHRISTIAN Salvesen, the distribution, manufacturing and specialist hire group, yesterday reported a small increase to £87.2m in annual pre-tax profit and announced the closure of most of its German distribution businesses.

That operation lost nearly £1m in the year to March 31, compared with a £1.4m profit previously.

An extraordinary charge of £18.9m was included for closing warehouses and redundancies to end a contract with Langens Iglo, a frozen food subsidiary of Unilever. This followed a £13m write-down of the assets in the previous year's accounts.

Mr Chris Masters, chief executive, said the German distribution market was the most unsophisticated in Europe. It was highly fragmented and lacked purpose-built distribution centres.

The £87.2m pre-tax profit figure, compared with £86.6m in 1990-91, followed multiplied

interest costs of \$6.5m (£1.2m). Net debt rose to £30.8m (£28.5m), gearing of 35 per cent. after £100m of capital spending and acquisitions - this would fall below 270m this year, Mr Masters said.

Distribution, which accounted for more than half the group's £484.2m (£422.7m) turnover, increased trading profit by 20 per cent to £30.9m (£25.7m).

The German distribution operation was separated out as a discontinued activity.

Specialist hire, notably the Aggreko generator and air conditioning rental business, also grew strongly to £27m (£22.3m) trading profit on sales of £111.7m (£82.4m).

In manufacturing, a small improvement in food processing, offset by a decline at Salvesen brick left trading profit £1.5m lower at £16.6m.

Earnings per share rose to 17p (16.6p). A final dividend of 4.1p raises the total to 7p (6.8p).

● COMMENT Although the German exit has

proved expensive - albeit mostly below the line, Salvesen gained credit for grasping what is hopefully the last of its big netties. None of the businesses that remains should get any worse - not even bricks which has been a good damage limitation exercise - and some should improve. Aggreko, in particular, has made the analysts smile because of the entrepreneurial way the business has been taken from a UK/Netherlands base to the US and Pacific rim. Distribution has great defensive qualities and the French problem seems temporary. Lower capital spending should reduce the flattening effect of interest costs. The one plus unlikely to be repeated is a £1m exchange rate gain. A pre-tax profit forecast of £73m gives a prospective multiple of 15 to 16. Its switch from food to the higher-rated business services sector may generate some interest, although the near doubling of the share price since August 1990 leaves little scope for improvement.



Chris Masters: market lacked purpose-built centres

Gilt-edged decision boosts Cater Allen

CATER ALLEN Holdings, the discount house and financial services group, reported profits up from £7.92m to £8.13m after tax and rebate in the year to April 30.

The result was helped by the elimination of losses in gilt-edged securities which the company pulled out of at the end of the previous period after losses of £2.7m.

At the end of the year capital and disclosed reserves increased to £70.6m.

The discount house maintained profitable trading, particularly in certificates of deposit, the Jersey and stock lending businesses had again done well while Barclays Cater Allen, the new joint venture specialising in international stock lending, came into profit before the year end.

However, the businesses at Lloyd's turned in a loss of £478,000, against profits of £1.92m, when a flat result had been expected. There were also losses in financial futures broking amounting to £88,000, against profits of £85,000.

Cater did not expect an improvement at Lloyd's this year. In financial broking the company expected to return to profit this year.

The proposed final dividend is raised to 20p making a total of 26p (25p).

Acquisitions provide impetus for 33% improvement at Blick

By Peter Pearce

BLICK continued to buck recessionary trends in the six months to March 31, lifting pre-tax profits by 33 per cent from £2.76m to £3.67m on turnover ahead 37 per cent to £14.7m.

Mr Ian Scott-Gall, managing director of this clocking-in equipment and radio pager supply company, said that most of the profits advance was acquisition-led.

In May 1991 Blick added communal television and radio distribution and controlled entry security systems to its businesses with the £8.26m acquisition of Telefusion from Gran-

ada. And on April 28, it bought a portfolio of rental contracts from GPT, which is jointly owned by GEC and Siemens, for £3.8m cash.

Improved gross margins and tight cost controls had helped profits, said Mr Alan Elliot, chairman, though lower interest rates reduced interest receivable to £242,000 (£336,000).

Mr Scott-Gall said that the group was able to weather the economic downturn because even though little new business had been won or few equipment sales made, the maintenance and service side of the business had kicked in.

Telefusion had helped cus-

tomers base income grow by 72 per cent and at the period-end gross rentals receivable under contract had risen 30 per cent to £87.5m (£51.9m).

Cash balances at March 31 - after the January/February invoicing period - were up at £9.9m (£7.4m), boosted by the £3.7m share placing in March.

Mr Scott-Gall described Blick's cash as part war chest - "We're putting our buying boots on again" - part cushion, part reinvestment capital and part working capital.

The interim dividend is lifted 15 per cent to 3p, payable from earnings of 11.52p (9.49p) per share.

Osborne slips to £855,000

By Gemma Vaughan

OSBORNE & LITTLE, the wallpaper and furnishing fabrics group, reported pre-tax profits down by £37,000 to £555,000 in the year to March 31.

Sir Peter Osborne, chairman, said turnover was slightly up at £19.1m (£18.6m), with an increase in the second six months eliminating the decrease in the first half.

However, the net operating profit margin had been affected by higher distribution costs and an increase in royalties payable due to the continuing

growth in sales of the Nina Campbell brand.

Interest charges fell by £135,000 to £255,000. Gearing was reduced from 153 per cent to 118 per cent.

Sir Peter said costs continued to be rigorously monitored and this had resulted in lower stock levels.

Sir Peter said turnover for the first two months of the current year was level with last year, and the group could only wait patiently for signs of recovery.

Earnings per share came out at 7.83p (7.9p). The final dividend is maintained at 2.35p for a same-again total of 4.35p.

James Cropper falls to £1.06m

In a year of reorganisation, pre-tax profits of James Cropper, the Cumbria-based paper-making company, declined by £416,000.

After an exceptional charge of £181,000 relating to reorganisation costs, pre-tax profits for the 12 months to end-March were £1.06m - down from £1.5m. Turnover grew from £39.4m to £40.2m.

The financing costs of the new paper machine installed last year and an increase in bad debts led to the decline.

Earnings fell to 8.6p (15p) and a final dividend of 2.025p raises the total to 3p (2.9p).

Falling glass prices hit Pilkington

By Maggie Urry

PILKINGTON, the glass-maker, is still struggling with glass prices 26 per cent lower than two years ago in Europe and the US and 36 per cent in Australia.

Even after slashing the second interim dividend to 3.07p (7.57p), the group is taking £20.1m from reserves (£82.6m in the previous year) to pay the 9p (10.5p) total. The near halving of pre-tax profits, from £151.6m to £77m, was at the bottom end of analysts' expectations.

The group took £23.1m exceptional redundancy and reor-

ganisation costs in the year and suffered another £13.9m charge when a US customer went bankrupt.

Group turnover was barely lower at £2.9bn, and operating profits fell 12 per cent to £182.5m. These included a £15.3m (£9m) profit on the sale of investments and £41.2m of profits from businesses since sold or closed.

Net interest charges rose from £56.9m to £68.5m, giving interest cover of 2.7 times. Mr Andrew Robb, financial director, said he was not happy with this cover.

The tax rate was high at 54.5 per cent, mainly because of UK

advance corporation tax. Minorities took £35.5m (£22.8m) and there were extraordinary profits, largely on the sale of businesses, of £17.7m (costs £45.5m). Earnings per share before exceptional items were 5.5p (6.6p) and after these costs were 1.2p (8.6p).

The group would have suffered a cash outflow but for £229.5m raised from the sale of businesses. Net debt fell from £703m to £688m over the year, 56 per cent (59 per cent) of shareholders' funds.

European glass operating profits fell from £127.8m to £87.4m, with the UK and Nordic areas particularly badly

hit, although German profits were also lower. In North America profits improved slightly to £10.5m (£8m) thanks to cost cuts. South American profits rose offsetting falls in South Africa and Australia, leaving profits for the rest of the world at £80.4m (£80.8m).

Poor flat glass profits were to some extent made up for improvements elsewhere. The insulation business returned to profit making £1m (loss £4.6m). Visioncare, the US spectacle and contact lens business made £21.5m (£9.6m). Other businesses lost £1.4m (£10.3m) and licensing income fell from £26.1m to £22.6m.

RECRUITMENT

JOBS: Smaller companies' executive-pay league

Spanish ensconced on high

WHAT has 10 years of socialist government in Spain done to the country's top managers? Ensconced them on the heights of the European executive-pay league, that's what. Their prominence now stands confirmed by four successive salary studies from two different sources.

The latest, just published, is by the European Remuneration Network, a consortium of nine consultancies and institutes, each doing separate pay surveys. Their combined exercise for 1992 covers 3,309 companies employing nearly 40,000 executives of various ranks in 11 countries. But anybody wanting data on all of them will need the full report (priced at £525 including postage and an up-date in the winter), obtainable from the network's British member, P-E International, Park House, Wick Rd, Egham, Surrey TW20 0HW; telephone 0784 434411, fax 0784 437828.

My extracts, in the table to the right, are limited to eight of the countries, and to companies in two particular size-bands as measured by total numbers of employees. The first are those with up to 100 on the payroll, the second are those with between 250 and 1,000. While the separate surveys were made at different dates, their findings have all

been up-dated in line with higher-level pay movements to the start of this month. I have converted the other currencies to sterling at the London market's closing rates on June 4.

For each country and size-band, the table begins with managing directors. Then come heads of marketing and sales and of finance, together with heads of personnel except in the small companies of the United Kingdom, Belgium and the Netherlands, where not enough of same were employed to furnish statistically respectable data.

In every case the table shows both basic salary and total pay received in money including bonuses and suchlike. The lower quartile figures in light type relate to the executive who would be a quarter of the way up from the foot of a ranking of all in the same country and type of job. The upper quartiles, again in light type, refer to the one a quarter way down from the top.

The median figures in bold type give not only the salary and total cash pay of the executive mid-way in the ranking, but also a rough indication of buying power. It is calculated by taking the total pay, deducting the country's standard tax and so on for someone married with two dependent children,

then adjusting the result in line with P-E's index of international differences in the costs of executive life. But please be warned that - although I've ranked the countries on the buying power of the MD of the bigger-sized companies - such living-cost comparisons are extremely sketchy. For one thing, they take no account of housing. For another, indices produced by different organisations can vary widely.

Even on straightforward exchange-rate conversions, however, the Spanish managing directors of the 250-1,000 employee companies tower above all the rest (and in the up-to-100 bracket come second only to their counterparts in France). Spain's MDs also have a bigger differential over their subordinate departmental heads than is generally the case elsewhere.

As for the UK, it appears to be exceptional along with Denmark in the valuation it places on heads of sales and marketing by comparison with heads of finance. In both countries those two departmental bosses have much the same median total pay. But everywhere else the sales and marketing head is several percentage points better off.

Michael Dixon

Country: Position	Organisations employing up to 100 people:				Organisations employing from 250 to 1,000:			
	Lower quartile	Median	Upper quartile	Total	Lower quartile	Median	Upper quartile	Total
	Basic salary	Basic salary	Basic salary	cash pay	Basic salary	Basic salary	Basic salary	cash pay
	£	£	£	£	£	£	£	£
Spain: M.D.	57,240	62,131	72,322	80,328	47,100	91,995	101,839	108,951
Sales & mktg head	36,339	40,984	43,634	48,261	32,158	52,459	57,896	62,718
Finance head	31,557	34,426	39,851	43,169	28,402	48,834	52,459	57,896
Personnel head	28,552	31,011	35,519	37,432	26,167	44,809	48,202	52,459
France: M.D.	55,249	65,748	78,216	90,702	57,913	84,659	100,753	108,951
Sales & mktg head	38,891	45,930	50,016	55,454	47,013	61,180	72,197	82,718
Finance head	29,217	33,011	41,892	47,245	33,226	51,007	57,640	62,718
Personnel head	27,691	31,567	40,580	46,246	33,250	46,500	53,011	57,896
Germany: M.D.	52,213	62,725	65,610	75,084	59,422	75,064	92,202	108,951
Sales & mktg head	38,046	40,789	43,230	49,257	35,106	47,844	54,156	62,718
Finance head	32,562	35,647	43,230	46,087	33,894	44,944	48,315	52,459
Personnel head	32,982	37,018	40,103	45,830	32,829	43,573	48,329	52,459
Switzerland: M.D.	46,442	55,354	57,303	65,543	44,497	68,185	77,528	108,951
Sales & mktg head	38,202	43,071	46,616	50,187	36,003	50,856	54,307	62,718
Finance head	41,200	42,687	43,820	46,087	33,894	44,944	48,315	52,459
Personnel head	32,982	34,082	39,226	40,824	30,645	43,820	44,196	52,459
UK: M.D.	37,924	41,232	47,500	50,000	34,750	50,000	56,151	62,718
Sales & mktg head	27,100	28,593	31,000	34,000	25,150	35,875	40,750	47,013
Finance head	27,125	28,547	30,520	33,745	25,000	41,615	41,750	47,013
Personnel head	27,125	28,547	30,520	33,745	25,000	41,615	41,750	47,013
Belgium: M.D.	43,514	50,175	61,615	65,276	34,645	65,878	73,722	108,951
Sales & mktg head	43,097	46,428	47,763	49,858	27,894	45,312	52,889	62,718
Finance head	33,938	33,938	37,006	40,416	24,300	41,415	45,579	52,459
Personnel head	33,938	33,938	37,006	40,416	24,300	41,415	45,579	52,459
Netherlands: M.D.	42,586	48,061	61,407	61,141	35,522	62,053	80,304	108,951
Sales & mktg head	41,066	41,398	46,844	52,015	31,425	56,882	64,183	72,718
Finance head	32,852	35,502	38,327	43,498	27,602	46,844	53,536	62,718
Personnel head	32,852	35,502	38,327	43,498	27,602	46,844	53,536	62,718
Denmark: M.D.	50,122	52,958	61,821	63,284	23,472	71,194	82,894	108,951
Sales & mktg head	31,908	32,174	38,289	38,289	17,045	45,735	47,241	52,459
Finance head	31,287	31,819	38,289	38,289	17,045	45,735	47,241	52,459
Personnel head	36,783	37,159	41,879	42,366	18,095	48,480	48,726	52,459

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Anita Sprules,
Director, Group Personnel,
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Schweizerischer Bankverein
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Please contact Richard Pooley and Carole Edmunds on (071) 583 0073 (day) or (071) 373 9515 (evenings and weekends) or send your CV in complete confidence to: 16-18 New Bridge Street, London EC4V 6AU. Or fax: (071) 353 3906

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BURSAR

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Further particulars and application forms are available from:
The Clerk to the Governors, Abingdon School, Abingdon, Oxfordshire, OX14 1DE
Quoting reference: FT.

Superintendent
of Offshore
Finance

The successful development of off-shore financial services is one of the key areas for the future economic well-being of the Turks and Caicos Islands (TCI). The Offshore Finance Centre for developing and regulating OFS was set up nearly three years ago and the appropriate legislation is now in place.

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QUALIFICATIONS

Applicants should be European Community Nationals, proficient in English, with qualifications in Accounting, Banking, Insurance or Legal field. Working at Company Secretary level, you should have experience of working in an established offshore centre (such as Isle of Man or Channel Islands). Experience of developing countries preferred though not essential.

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Closing date for receipt of completed applications is 1 July, 1992. For further details and application form, please write to Appointments Officer, Ref No AH367/JW/FT, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow G75 8EA, or telephone 0355 843309.

ODA is committed to a policy of equal opportunities and applications for this post are sought from both men and women.



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This client is a very substantial and highly regarded UK Composite Insurance Group with extensive overseas interests which is developing an increasingly proactive approach to financial management.

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Applicants should be numerate graduates in their late 20s/early 30s with successful hands-on exposure to general business underwriting and an interest in the financial management issues of a major group. Analytical reasoning skills and the ability to communicate effectively are essential qualities. Fluency in German would be a bonus.

Please apply in confidence quoting ref: L515 to:

Brian H. Mason,
Mason & Nurse Associates,
1 Lancaster Place, Strand,
London WC2E 7EB.
Tel: 071-240 7805.

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Selection & Search

CREDIT ANALYSTS ITALIAN/SPANISH £Excellent + Banking Benefits

We urgently require young, graduate, experienced credit analysts to support Italian and Spanish fixed income teams within a major City based bank. In addition to risk assessment you will enjoy monitoring market issues for discussion with sales and trading teams in a dynamic profitable environment.

Please contact Ron Bradley on 071-623 1266.

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A leading London-based international broker is seeking a salesperson to sell Singapore and Malaysian equities to UK and European institutions. The candidate will probably

be aged 25-35 and must have the following attributes:

- At least five years' experience gained in a major stockbroking or investment management institution in one of the above countries
- Fluency in English and Cantonese (Mandarin would also be useful)
- A high quality business or economics degree

Please send a CV indicating salary and daytime telephone number to Box A1849, Financial Times, One Southwark Bridge, London SE1 9HL

Irish Life

FUND MANAGER - INTERNATIONAL EQUITIES

Location Dublin

Irish Life is a publicly quoted life assurance group operating in a number of countries with total assets in excess of IR£5bn. The investment division manages funds on behalf of individual policyholders, pension funds, corporate bodies and charities.

Due to the continuing development of its investment management business it wishes to recruit an experienced international equity manager with a proven track record. Experience of the US market would be an advantage but is not essential.

The importance of this position is reflected in an excellent remuneration package, together with the normal benefits of a large financial institution.

Applicants should send their CV's, before 19th June 1992 to:

James N O'Neill,
General Manager - Personnel,
Irish Life Assurance plc,
c/o Irish Life Centre,
Victoria Street,
St Albans,
Herts. AL1 5TF.

MANAGEMENT CONSULTANCY - LONDON

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Success for our clients operating in the competitive oil and gas industry demands efficient, cost effective management of resources and customer-oriented products and services. Our consultants play an important role from drawing up feasibility studies to solution delivery and implementation.

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As one of the UK's leading firms of management consultants and accountants, Coopers & Lybrand continues to develop its Oil and Gas Group.

We now seek further sector specialists with expertise in the following areas:

- Strategy, Economics and Marketing
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You should be a graduate with at least eight years' relevant oil and gas experience. You must be a good communicator, have excellent analytical and problem-solving skills and be flexible with regard to working overseas. Above all, you must be capable

of selling, delivering and implementing high quality consultancy assignments.

The breadth and challenge of our consultancy assignments presents an opportunity to develop both personal qualities and professional expertise. Our competitive remuneration package will reflect both your experience and potential.

If you can add to the strength of our team, please send your cv to Stephen Mitchell, Coopers & Lybrand, Plumtree Court, London EC4A 4HT, quoting reference FT019.

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A leading U.S. investment firm seeks an investment broker specialising in Fixed Income products to join its expanding West End Office.

The candidate must have extensive specialised knowledge of Eurobonds, convertibles, warrants and equity derivatives. A considerable existing customer base of both corporate and high net worth individuals, as well as fluency in German and French are essential.

The candidate should possess a Finance qualification to graduate level and, ideally, an MBA would be preferable. Applicants with at least five years' investment banking experience will be considered.

The successful applicant will receive a base salary plus commission. Potential remuneration very substantial.

Please call Fiona Macleay at our
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A leading developer of Corporate Treasury systems is seeking to fill the position of Manager Sales and Marketing. The position involves marketing advanced treasury systems to European multinationals. Experience in marketing and/or exposure to debt, investment or foreign exchange instruments helpful. Send CV and cover letter to:

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071 873 4027.

Derivatives based fixed income portfolios.

Career appointment with prospects of additional management duties (further funds, client servicing, marketing presentations, travel, etc.).

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Responsibilities include:

- day to day fund management (selection of investments, maintenance of spreadsheets and databases, running Lotus-based macros and designing programmes, dealing, performance calculations, client liaison and reporting).
- product development and new product research.

Qualifications and experience will include:

- 2-3 years' relevant experience of fixed income/derivatives preferably in Fund Management.
- high numeracy - appropriate degree desirable.
- excellent p.c. skills - including Lotus.

Salary will be negotiable in relation to experience.

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The successful candidate will have had 3 or more years' experience within an international financial institution and is probably 25-35 years of age. A working knowledge of all Treasury products is essential. Please apply in writing enclosing a full CV to:

Mr Michael Weitherrall
Director of Treasury
Daiwa Europe Bank plc
City Tower

40 Basinghall Street
London EC2V 5DE

quoting reference SF/TSY1 (no agencies, please)

Closing date for applications is Wednesday, 24 June 1992



ALUMINIUM SMELTER EXPERT/MANAGER

FINLAND

Kumera Corporation is one of Finland's leading metals businesses. Our aluminium division is currently involved in several retrofit projects in Russia and requires a highly skilled manager to work on feasibility studies in the field of aluminium technology. Based at our Technology Centre in Finland, the post does not necessarily call for full relocation to Finland.

Candidates must have considerable expert experience of aluminium electrolyse processes, backed by smelter company management experience and appropriate educational qualifications.

Handwritten applications giving career details and indicating the type of remuneration package sought are required by the closing date of 30 June. Please reply to:

Mr Vesa Kumpulainen, Chief Executive Officer, Kumera Corporation, SF-11100 Riihimäki, Finland.

For further information, please telephone: +358-14-7491

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CORPORATION**

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Surrey

This well-known European company ranks amongst the leading international credit insurers. An experienced credit professional is now sought to establish an office in this country, to evaluate and monitor its UK risk portfolio.

THE APPOINTMENT

- Provision of relevant business information to support credit decisions on deal-by-deal basis.
- Sector and company appraisal as part of annual process.
- Interviewing of individual companies, involving significant degree of travel throughout the UK.
- Establishment and maintenance of close working relationships with business information and credit rating agencies and commercial banks.

REQUIREMENTS

- Probably aged 28 to 35, graduate educated, possibly with a business, accounting or banking qualification.
- Minimum of three years' in-depth credit analysis/management experience within a credit insurer, rating agency, insurance broker or commercial bank.
- Sound understanding of corporate businesses and keen appreciation of commercial risks.
- Persuasive, articulate, with highly developed communication and interpersonal skills.
- Energetic and self-motivated, able to thrive within an independent operation remote from head office structure.
- A knowledge of German, whilst not essential, would be helpful.

Please apply in writing with a full CV and salary details by 24 June 1992 to: Susanah Truswell, K/F Associates, Pepys House, 12 Buckingham Street, London WC2N 6DP.

K/F ASSOCIATES

Selection & Search

A DIVISION OF JOHN F. MURPHY INTERNATIONAL

International Commodity Traders

Hydro Aluminium is an international aluminium company with 11,000 employees and production facilities and sales offices in 17 countries. The company's activities comprise everything from research and development to the production of primary aluminium, semi-fabricated products and finished products.

Hydro Aluminium is a wholly-owned subsidiary of Norsk Hydro, and the company's sales totalled NOK 15,000 million in 1991.

The Raw Materials and Metal Trading Sections of the Hydro Aluminium Metal Group are responsible for procuring important raw materials for our aluminium plants, and for global trade and other commercial activities involving aluminium and raw materials. This also entails a great deal of activity on the London Metal Exchange.

The Hydro Aluminium Metal Group faces great challenges in the international market.

In order to strengthen and develop our organization, we plan to take on 2 or 3 new employees.

After thorough training in relevant markets and products, your tasks will include:

- developing new markets
- follow-up of existing clients and suppliers
- collaborating with our aluminium plants and offices abroad
- transactions on the metal exchange
- assisting in development of strategies and plans.

Postings of varying duration to our offices abroad may be considered.

Applicants should have an MBA or the equivalent, and a minimum of 3 years of experience from international business.

Mastery of spoken and written English necessary. Additional languages are a considerable asset.

A good deal of travel must be expected. Your place of work will be Oslo, Norway.

For further information, please contact Harald Martinson, phone +47 2 73 75 85, or Jon-Harald Nilsen, phone +47 2 73 75 58.

Application plus CV, certificates and references should be sent by 15 June 1992 to:

Hydro Aluminium a.s.
Personnel Section
P.O. Box 80
N-1321 Stabekk, NORWAY



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A graduate, or possessing professional banking qualifications, you will have experience of risk analysis, management and control techniques, particularly applied to banks and other financial organisations. You will also be familiar with country risk evaluation, and have an appreciation of the differing legal frameworks which can affect risk management across the EMEA Region. A mature approach sensitive to the cultural differences within the Region is necessary, and foreign languages will be an asset.

Risk management within Visa is a highly visible role and is expanding in scope. Success in this role can lead to accelerated career growth. An attractive financial package is offered. This includes a car, mortgage subsidy, non-contributory pension and private health cover, and is commensurate with the skill and experience being sought in the successful candidate.

Please write in confidence, with full career details and current salary to our retained consultant, Diana Cubberley, quoting Ref: 1474, at Regent Consulting, Prince Regent House, St Giles Close, Reading RG1 2SA. Tel: (0734) 560522. Fax: (0734) 560434.



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OUR CLIENTS

- US, European & UK Investment Banks.
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- Computer Literate.
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POSITION AVAILABLE

Trading Assistant: Large U.S. Futures Trading Co. seeks an aggressive recent University Grad. with good number skills, computer efficient, and an interest in financial markets. Position requires a hard worker willing to make sacrifices for potentially rewarding career. Please send CV and covering letter to Box No. A1848 Financial Times, One Southwark Bridge, London SE1 9HL.

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A prestigious manufacturing company in the drinks industry is seeking a Marketing Services Assistant to further develop links with overseas distributors, filling a key post in our export team, based at modern offices in Kirkliston near Edinburgh.

The successful candidate will probably be in their early to mid twenties, of graduate calibre, already experienced in exporting to Europe and North America. Commercial fluency in one or more of the principal European languages would be an advantage.

Computer based systems form an important part of the intended job functions and experience with Superbase is an essential requirement. Knowledge of data base marketing techniques is highly desirable.

The company is offering a competitive salary and benefits package. Candidates who can meet the necessary qualifications should write in confidence, enclosing a detailed CV to Box A1852, Financial Times, One Southwark Bridge, London SE1 9HL.

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2 ESSEX COURT EUROPEAN LAW GROUP

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- Key founder member of management team. Provide full financial planning and control. Hire staff as necessary. Report to CEO and Board.

QUALIFICATIONS

- Qualified accountant with experience of senior financial management role in international bank. Aged 30 to 35.
- Good, relevant knowledge from securities sales/trading operation. Familiar with SFA requirements and, ideally, with emerging market settlement.
- International treasury and funding experience. Dedicated professional able to meet tight deadlines and contribute to overall management and development of business.

Please write, enclosing full cv, Ref BL2400
54 Jermya Street
London SW1Y 6LX



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Ideal candidates in their early to late twenties will have a good theoretical understanding of Forwards, FRAs, Futures and Interest Rate Swaps together with two/three years' trading experience focused on the inter-relationship between these activities. A demonstrably successful and profitable track record should be matched by equally high levels of enthusiasm and energy. Ref: A5050

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The focus of this role will be on advising hedging strategies to Primary Producers, particularly in precious and base metals. Our requirement is for a young (mid/late twenties) specialist with a good theoretical background in Commodity Yield curves, Forwards, Futures and Swaps. An appreciation of Commodity Options would be a distinct advantage. Ref: A5070

In each case the salary and benefits package will be tailored to meet the needs of the successful candidate who should also be able to take advantage of the expanding workplace and a very pleasant lifestyle.

Please send full career details quoting the appropriate reference to Malcolm Lawson at Codd Johnson Harris, Human Resource Consultants, 12 New Burlington Street, London W1X 1FF or alternatively telephone 071-287 7007 during the working day or 0323 485680 in the evenings.



Codd · Johnson · Harris

Derivatives Management

Julius Baer Investment Management Inc is a wholly-owned subsidiary of Baer Holding Ltd., Zurich, specialising in multi-currency asset management.

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To be considered, you should be a graduate in economics, mathematics or a similar discipline, with live experience of futures and options markets. An enthusiasm for original ideas and an ability to convert these into successful products is desirable. As client work will be involved, you should also have strong oral and written communication skills.

Please send career and personal details, including current remuneration, to Jonathan Minter, Managing Director, Julius Baer Investment Management Inc, Bevis Marks House, Bevis Marks, London EC3A 7NE

JB-B

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Successful candidates will have at least a good first degree in economics and several years relevant work experience; for some positions, extensive experience in applied international financial or macro economics will be required. Successful candidates will also be able to demonstrate strong analytical and communication skills. Fluency in a language other than English (especially French, German, Japanese or Russian) would be advantageous.

Initial appointments will normally be on the basis of 2-3 year contracts with the possibility of subsequent permanent employment. Salary will be negotiable according to experience; fringe benefits are also available.

For an application form please telephone Sarah Kitt on 071-601 4518/4706 or write to her at the address below.

Personnel Division HO-5
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Company Secretary
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5th Floor
International House
1 St Katharine's Way
London E1 9UN



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RIYADH 11416
FAX: 09661-405-7353.

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c £27,000 + Benefits

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We are seeking to appoint an International Bond Analyst to work within the fixed interest team which manages in excess of £2.5 billion in UK and overseas bonds.

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POSTEL

Please apply in writing with full career and personal details to:

Sheena Gibson, Personnel Manager
POSTEL Investment Management Ltd
Standon House
21 Mansell Street
London E1 8AA

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We are a London based fund
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Write to: Box No A1835, Financial Times,
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Brussels

£Competitive

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In return, our Client offers a highly stimulating and fast track international career together with a tax effective remuneration package.

Please apply directly to Ingrid Flannery at Robert Half, Freepost, Walter House, 418 The Strand, London WC2R 0BR. Telephone: 071-836 3545. Alternatively, fax your details on 071-836 4942.



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Above average accountants with initiative, conversant in a European language and eager to develop their professional skills should send C.V. to:

Tony Levitt, Campos & Stratis
17 Devonshire Square London EC2M 4SQ
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Abu Dhabi - U.A.E.
Financial Controller
FCA

A major highly diversified and rapidly growing investment organisation invites applications from qualified accountants with sound experience of Banking, Treasury Products and Computer Systems.

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The incumbent should have a minimum of 5 years banking experience and shall be able to restructure and develop modern Accountancy systems and techniques for the organisation in a fully computerised environment including projected budget and procedures of result follow up.

Application including a full C.V. with copies of academic certificates, experience certificates, passport and a recent photograph should be sent within a fortnight, addressed to:

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Abu Dhabi
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Financial Controller
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Applicants will be Chartered Accountants, aged 35-50, whose background is a major professional firm followed by a service organisation with advanced computer based systems. Strength in systems development is essential, plus a willingness to be involved in the basics, particularly in the early stages of the appointment. There are opportunities for further career progression in a role which will provide much commercial exposure within this company as well as within its very large American parent.

Candidates should send a comprehensive C.V. or telephone for an application form to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester, M3 2LF. Tel: 061-839 2000 quoting reference (FL677A).

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**GOVERNMENT OF THE CAYMAN ISLANDS**

The Government of the Cayman Islands has a vacancy for the position of:

AUDITOR GENERAL

The Cayman Islands are a British Crown Colony in the West Indies located 450 miles south of Miami, Florida. A successful offshore financial centre and popular tourist destination with a population of 28,000, they enjoy one of the highest living standards in the Caribbean.

The duties and powers of the Auditor General are prescribed in the Public Finance and Audit Law. In particular it is the duty of the Auditor General to examine, enquire into and audit the accounts of the Accountant General and of other accounting officers in respect of public monies, stamps, securities, stores and any other public property.

The Auditor General, who is head of the Cayman Islands Audit Office, is directly responsible to the Governor for the auditing of all Government accounts. Applicants should hold a relevant professional qualification and should have at least 10 years experience, including a period at senior administrative level.

Salary will be C\$ 59,076 per annum tax free (C\$ 1 = US\$ 1.20). Benefits include air passages, medical care and a Contracted Officers Supplement of 15% of salary paid monthly. Appointment will be on a two year contract. Application forms, together with recruitment notes, are available from:

The Cayman Islands Government Office
Trevor House
100 Brompton Road
London SW3 1EX Telephone: 071 823 7613

Completed application form with a curriculum vitae should be returned by 3 July 1992.

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Der/die Bewerber(in) sollte mit Fertigungsunternehmen vertraut sein und gute Kenntnisse der Produktionsplanung, Kostenkalkulation und Bestandskontrolle haben. Der/die Bewerber(in) sollte ferner eine qualifizierte Bilanzbuchhalter(in) sein und über umfangreiche Erfahrungen von mindestens vier Jahren in einem Fertigungsunternehmen verfügen. Kenntnisse aus einem entsprechenden Industriezweig, wie z.B. Investitionsgüter oder Maschinenbau, wären von Vorteil sowie außerdem Kenntnisse des deutschen Finanzwesens.

Als Mitglied der deutschen Geschäftsleitung werden ausgezeichnete Kommunikationsfähigkeiten vorausgesetzt sowie fließende Kenntnisse der deutschen Sprache. Als Ausgleich für seinen/ihren Beitrag zur weiteren erfolgreichen Geschäftstätigkeit, kann der/die erfolgreiche Kandidat(in) angemessene Einkünfte erwarten.

Bitte richten Sie Ihre Bewerbung in englischer Sprache einschließlich Lebenslauf unter Angabe der Referenz JW F7/202 an: Accountancy Personnel, 3rd Flr, Camel House, Fargate, Sheffield, U.K., S1 2HD. Tel: (0742) 738775.

**Accountancy Personnel****Hays****Assistant Controller****U.S. multinationaler
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Unser Auftraggeber ist ein weltweit operierendes und führendes Unternehmen im Dienstleistungssektor. Qualität und Service sind Leitsätze, welche die erfolgreiche Strategie des Unternehmens bestimmen. Einem wirkungsvollen Controlling kommt eine Schlüsselrolle bei der Absicherung des geschäftlichen Erfolgs zu. Zur Unterstützung des Financial Controllers der deutschen Tochterfirma, mit Sitz in Frankfurt am Main, suchen wir eine Dame oder einen Herrn als Assistant Controller mit der Möglichkeit, innerhalb eines Zeitraumes von 2 - 3 Jahren dessen Nachfolge anzutreten.

Tätigkeitsschwerpunkte des Stelleninhabers werden die Leitung des betrieblichen Rechnungswesens, die Verantwortung für den Treasury-Bereich sowie die Weiterentwicklung von Accounting-Systemen sein. Außerdem gehören die Analyse betrieblicher Daten und die Leitung des Bereiches "Steuern" zu den Aufgaben des zukünftigen Assistant Controllers.

Der ideale Kandidat ist zwischen Anfang und Mitte 30, hat die deutsche Staatsangehörigkeit und hat ein Studium der Betriebswirtschaftslehre o.ä. absolviert. Er ist geprüfter Bilanzbuchhalter oder "Qualified Accountant" und hat bereits Berufserfahrung, vorzugsweise im Dienstleistungsbereich, zu bieten. Dabei ist ihm ein Mainframe Accounting-Umfeld nicht fremd. Erwünscht ist auch praktische Erfahrung im "Treasury-Bereich" und auf dem Gebiet der Buchführung und Bilanzierung. Sehr gute Kenntnisse der relevanten deutschen steuerrechtlichen Vorschriften sind zwingend erforderlich. Die Tagesarbeit ist geprägt durch die Notwendigkeit zur Teamarbeit und durch straffe Zeitplanung. Sehr gute Englischkenntnisse und PC-Erfahrung runden die von uns gewünschten Voraussetzungen ab.

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Please write, enclosing full cv, Ref L2399
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A major player in the travel industry, my client is part of a £1.2bn international organisation. With annual sales turnover approaching £500m they operate from 17 UK locations.

Reorganisation and the development of complex financial control systems has created the need for this new appointment to implement the new systems and manage the financial operations function.

Reporting to the Financial Director and supported by three function Chiefs for Operational, Management and Financial accounting, your role will be both flexible and broad. As well as producing accounts and financial information to aid decision making, your focus will be on systems implementation and the management of your team of 130 people during a time of significant change.

You will be a qualified accountant and probably aged in your 30s. Previous experience in a big man-management role in a complex business (ideally a travel-related one) together with mainframe or minicomputer financial systems implementation is prerequisite. With high personal presence you must be able to establish credibility at all levels, have excellent interpersonal skills and be free to travel in the UK and abroad, often at short notice.

Success in this demanding role will be rewarded by an excellent remuneration package and career development opportunities in the parent organisation. To apply please write to me, Tony Clarke, with full CV and salary details quoting reference MD2904 at Macmillan Davies, Salisbury House, Bluecoats, Hertford, Herts. SG14 1PU. Tel: (0992) 552552.

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Following the promotion of the existing Director of Finance they are now seeking to appoint an individual capable of contributing to the second phase of market development in a dynamic and constantly changing environment. Reporting to the Managing Director the successful individual will be expected to not only provide financial stewardship of the business but also advice on a wide variety of commercial issues.

Responsibilities will include the following key areas:

- Providing timely and accurate information to local and US management.
- Strategic planning, budgeting and forecasting.
- Strict financial control and working capital management.
- Development of company wide IT systems.

- Providing commercial input on various Business Development Scenarios.
- Presentation of business and investment proposals to the US management.
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The right individual will be a graduate qualified accountant, aged 35-45, with experience of a sales and marketing led business culture and manufacturing based operations. They will also need to demonstrate strong commercial acumen and analytical skills as well as good financial discipline and IT based systems exposure. Any achievements related to the indicated areas of responsibility as well as experienced gained in US companies and process based manufacturing environments would be considered as advantageous.

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Interested applicants should write to John Zafar ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW.

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Interested applicants should write enclosing a full curriculum vitae to Andrew Norton at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

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FINANCIAL TIMES
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If you feel you have the relevant skills, contact: Eustace Holligan 071-703 0571 ext 212, 25 Commercial Way, London SE15 6DG.

An information pack giving more details of the post will be sent out with application form.

Applications from women and people from black and other racial minorities are welcome, due to under-representation at this level.

Last date for receipt of completed applications: 6th July, 1992.

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For one of the world's five largest communications groups.

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Please contact **Liz Osborne** or **Joe Thomas** on 071 836 9501, or alternatively write to them, enclosing a full CV, to Douglas Llamblas Associates, Financial Services Division, 410 Strand, London WC2R 0NS. Fax Number: 071 379 4820.

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The Personnel Department
Southern Housing Group
Knights' Court
6-8 St John's Square
London EC1M 4DE
Tel: 071-251 6091
Ref: 26/92

Closing date: 26th June 1992.

The Southern Housing Group comprises the Samuel Lewis Housing Trust, Coastal Counties Housing Association and their subsidiaries. We manage 8,000 homes in Southern England for those in housing need and have one of the country's largest social housing development programmes. Our 300 staff are key to our success. We aim to attract and retain highly effective people to work with us. We welcome applications from all sections of the community.



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Please send full personal and career details, including a daytime telephone number, in confidence to Edward Simpson, Coopers & Lybrand Executive Resourcing Ltd, 78 Shoe Lane, London EC4A 3UB quoting reference ES912 on both envelope and letter.

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To apply, please send full personal and career details including current salary to:
Mr Dinesh Upadhyaya, Finance Director, Saga Holidays Limited,
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SAGA

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Above all, you must be ready to take responsibility for financial actions affecting over 62,000 staff and over 3 million people.

If you have the skills to meet this challenging role, please contact Miss Deborah Williams during office hours on (091) 2246222.

Ext. 4462 for an information pack, or phone (091) 2261505 (24 hour answer-phone service) quoting ref. 20192.

CV's should be returned to: Division of Human Resources, Northern Regional Health Authority, Seafield Road, Newcastle upon Tyne NE5 4PY by 29 June 1992.

This Authority operates a No Smoking Policy.



NORTHERN REGIONAL
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European Group,
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Qualified and commercially experienced accountants required for a major trade contractor in the Construction Industry based in London (NW2), with offices in the Wakefield and Scotland. A keen, hard, flexible worker with strong character and good interpersonal skills, working in a hands-on demanding environment, he/she will report to the Directors.

Responsibility will be for managing the accounting function and all other financial activities of the business. For a person with ambition, initiative and creative flair there will be involvement in the development of the business and the prospect of promotion.

Salary and benefits package commensurate with the position will be offered. Please write with full CV to: The Company Secretary, 3 West Lodge Court, Uxbridge Road, Acton, London W9 8SD

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071 873 3694

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The successful candidate should have experience from both debt- and equity based international financial markets. Controller and general management experience will be an advantage.

Industry experience from either the shipping and/or oil sector will be preferred.

To be considered the applicant must have appropriate international and academic and professional qualifications.

Further information is available from John Smådal, President, or Erik Norman, Director Finance, telephone (472) 869 700. Fax: (472) 869 945.

Please apply in writing by June 30th.

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(No Agencies)

Rain threatens US wheat crop

By Nancy Dunne in Washington

ALTHOUGH SHOWERS in the Midwest are easing fears of another US drought, too much rain in the Texas and Oklahoma has contributed to concern about the winter wheat harvest at a time when US wheat stocks are already at their lowest level for years.

Even without the weather considerations, the US Department of Agriculture yesterday projected tightened wheat supplies for 1992-93 as a result of reductions in expected yields and planted acreage. Stocks at the end of 1992-93 were projected at 477m bushels, down 22m from last month's estimates.

Harvesting in two of the three largest winter wheat-producing states has been delayed by the excessive rain, and the cotton crop in Texas may also be damaged. The US Farm Bureau is estimating the total wheat crop at between 2.15bn and 2.2bn bushels, up from last year's unimpressive 1.95bn bushels.

There is no fear at all of tight wheat stocks worldwide. Smaller crops predicted for the

US, Morocco and South Africa are more than offset by a larger projected output in the European Community and China. Canada's surplus stocks from last year have turned out to be higher than had been calculated.

Dr Norton Strommen, the USDA meteorologist, yesterday said recent rains in Kansas have been sufficient for the maturing wheat. In Illinois development of maize and soybeans has been slowed by dry weather. This week's showers have been insufficient, but more rain was expected in the next 36 hours.

Worldwide, cotton production is expected to exceed use by 5m bales, resulting in a further gain in stocks. With several countries aiming to maintain production despite lower world prices, output is forecast at 94m bales, only 1 per cent below last year's record.

The global oilseed crop is running about 3 per cent below last year. Paraguay's soybeans have been hurt by dry weather and US soybean production is projected at 52.1m tonnes, down from an estimated 54.4m last year.

Comex developing jet fuel futures contract

By Barbara Durr in Chicago

THE NEW York Commodity Exchange (Comex) is developing a jet fuel futures contract, which it hopes to submit for approval by the Commodity Futures Trading Commission before the end of the year.

The move will not improve Comex's already antagonistic relations with the New York Mercantile Exchange (Nymex), which is considered the primary energy market. Nymex's heating oil futures are currently used by airlines to hedge their jet fuel price risks. But, according to Comex, jet fuel users have increasingly looked for a product that more closely corresponds to their needs. It believes that there is sufficient demand for a jet fuel contract.

Nymex, which has in the past investigated the possibility of launching its own jet fuel futures, decided against doing so because it deemed that the number of players was too small. Its spokeswoman, Ms Nachamiah Jacobovits, said that while heating oil was not a perfect hedge, many airlines used it and "are happy with the level of liquidity".

Comex, a metal exchange trading copper, silver and gold,

has been keen to broaden its product range. Its new chairman, Ms Donna Redel, has been contemplating a renewed effort at trading aluminium as well as financial futures based on the Eurosto 100 stock index, to be developed in co-operation with the European Options Exchange in Amsterdam.

In spite of the existence of some crude oil contracts on Nymex, Comex moved ahead to win Commodity Futures Trading Commission approval for a Dubai sour crude future in April and plans to launch it in co-operation with the International Petroleum Exchange whenever the market ripens.

Comex also said in April that it intended to list futures on platinum and palladium, both of which are traded on Nymex. Nymex retailed by suggesting it would consider contracts on silver and gold.

The jet fuel contract, thus, seems to be only the latest in a series of Comex challenges to Nymex. The two exchanges have had sporadic merger talks in recent years, but these always have always foundered. Nymex, which shares quarters with Comex and three other New York exchanges, even withdrew last year from a joint move to a new trading floor.

The power behind Pechiney's Dunkirk smelter

Kenneth Gooding on an aluminium project that owes its conception to overgeneration of electricity

IT STARTED with a convivial lunch-time conversation between two of France's most powerful industrialists. From that friendly chat was to spring one of Europe's biggest industrial projects in recent times, the \$1bn Dunkirk aluminium smelter.

One of the industrialists at that lunch, Mr Pierre Delaporte, president of Electricité de France, the state-owned power generation group, had a big problem. EDF, like other energy suppliers that needed to forecast demand many years ahead, had miscalculated. It was going to have too much nuclear generating capacity in the early 1990s.

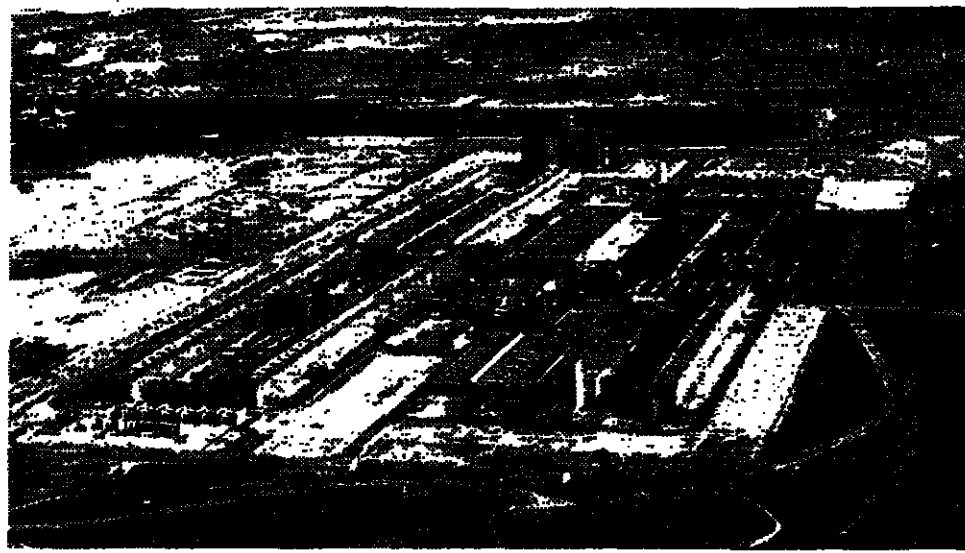
EDF contacted some of its best customers, those with huge energy requirements, to see if something could be worked out with them.

That is why Mr Delaporte sat down to lunch with Mr Jean Gandois, president of Pechiney, France's state-owned aluminium group. A modern aluminium smelter, producing about 250,000 tonnes a year, will consume as much electricity as a city the size of Sheffield or Lyons.

Mr Gandois was already in an expansionist frame of mind. At the time of the lunch with Mr Delaporte, the autumn of 1988, he was secretly putting the final touches to a deal for Pechiney to buy American National Can, the world's largest packaging company, for \$4bn.

His response to Mr Delaporte's overtures was equally audacious. "Let's build a new aluminium smelter in France" he suggested.

Some would have dismissed this as a foolish proposition because all through the 1980s aluminium production had been steadily drifting from countries where energy costs were high to those with abundant, low-cost supplies - particularly countries with hydro-electric power. In that process



Efficiency is aided by the arrangement of the pots (reduction cells) in one long line

nearly all of Japan's aluminium smelters closed down while new ones were built in Canada, South America and the Middle East.

However, some European industrialists are worried about this growing separation of aluminium production and the main consuming markets. They suggest it makes the European industry more vulnerable to exchange rate fluctuations (aluminium prices are usually quoted in US dollars) and say nobody can guarantee that the governments of the energy-rich countries will not develop open-type pricing policies for their aluminium sometime in the future.

So Mr Gandois could not resist grabbing EDF's offer. That low-cost power was available only for a few specific years at the beginning of the 1990s and Pechiney would have to act very quickly to take advantage of EDF's offer.

Pechiney and EDF did some fast research and chose Dunkirk, near the coast across the

Channel from Britain, for the site of the smelter. It is an area of high unemployment (more than 16 per cent) and close to an EDF nuclear power station.

The proposed smelter was to cost about \$750m and working capital requirements would take the total cash needed to about \$1bn. Pechiney's balance sheet was also about to be burdened with the cost of American National Can so a complex financing arrangement for the smelter was worked out.

Consequently, Pechiney controls 35 per cent of Aluminium Dunkirk, the company which owns the Dunkirk smelter. French and foreign banks and insurance companies hold the rest. Pechiney also has a one-third share in the company that operates the smelter with the rest of the equity shared by the ownership company and EDF. Pechiney is responsible for supplying all the smelter's alumina (aluminium oxide) - 400,000 tonnes a year of this essential raw material - and

for selling the aluminium.

When Mr Gandois told his technical people that Pechiney was to build a new smelter 18 months or two years and we will have some fantastic new technology for you". But he told them it was not possible to wait. The start-up of the smelter had to synchronise with EDF's period of excessive capacity.

And, probably because every bit of technology employed at Dunkirk has been tried and tested elsewhere before on a commercial scale, the smelter was built and brought into operation in only 22 months, probably a record for a smelter on a greenfield site.

That is not to say that Dunkirk's technology is old-fashioned. Apart from being Europe's biggest aluminium producer and third in the world outside the former Soviet Union, Pechiney claims leadership in sales of aluminium technology - two out of three new smelters built in the past ten years have employed

some of its technology. In aluminium smelting, the aim is to push as much electricity through the raw material as possible - the higher the amperage, the more metal can be produced. But this is a tricky business. The magnetic fields created by all this power can play havoc and create very dangerous conditions in the smelter if not properly controlled.

Pechiney won many technical contracts because it was the first company to operate a potline functioning at more than 280,000 amperes. At Dunkirk Pechiney has brought into operation the first complete set of electrolytic reduction cells (called pots in the trade) running on direct current of 300,000 amperes.

This technology makes the smelter the most productive anywhere in the world. Pechiney claims, with an output of 400 tonnes a year for each one of the 450 members of the workforce.

This is made possible by the design of the pot conductor circuits, which are able to optimise the magnetic fields in the "pad" of metal and thereby ensure its stability.

Also, Dunkirk's 264 pots are in one long line rather than split into two or three lines as seen in other modern smelters. This not only kept down capital costs but needs fewer people to operate the pots.

Pechiney claims, too, that Dunkirk emits virtually no pollution.

When Pechiney and EDF announced the smelter in November, 1988, there was widespread suspicion it was possible only because EDF would be supplying electricity subsidised in some way by the French taxpayer. Some critics suggested the European Commission might veto the scheme.

The commission's investigation certainly took some time but the partners pressed on

with construction. They had spent \$500m and still the commission was withholding its necessary blessing. Even though Mr Jacques Delors, the French president of the commission, was supportive, Pechiney and EDF only gained the necessary EC approval from Sir Leon Brittan, the Competition Commissioner, by undertaking that the proposed price of electricity to the smelter would be increased by 10 per cent in the three years from 1997. The commission said pricing before that three-year period was fair.

The smelter's first pot started up in November, only 22 months after work started. On May 15 this year the smelter was running at its nominal full annual capacity rate: 215,000 tonnes. Mr Bernard Allais, the pot line manager, says it will be stabilised at this level for some months for some "fine tuning".

Nevertheless, Dunkirk will produce 180,000 tonnes of aluminium this year and is breaking even at the operating level. Pechiney has closed two small smelters, at Rouperoux in the French Alps and Noguère in south western France, which between them produced about 80,000 tonnes. So Dunkirk represents an addition of about 135,000 tonnes to its annual capacity. It total output this year is predicted to be 870,000 tonnes.

Mr Gandois, pleased with the success of his venture, says that the Dunkirk smelter proves there was still a place for big, heavy industrial projects in Europe.

Others are not so sure. Mr David Morton, chairman of Pechiney's rival, Alcan of Canada, almost certainly has Dunkirk in mind when he says: "One must question whether a crowded region like Europe should use so much of its energy resources to create the relatively few jobs available in an aluminium smelter."

UK tries to calm fears over EC capital rules

BRITAIN HAS moved to calm commodity traders' fears that the planned European Community capital adequacy rules could harm their profitability, reports Reuters.

Treasury officials said that the government had asked the community for discretion in the treatment of commodity brokerages with regard to the planned regulations. "We have every confidence we will be able to achieve that," one said.

European Commission officials announced on Wednesday that they had made a significant breakthrough in agreeing capital adequacy rules for

investment companies to allow them to operate in the community's single market.

Some details have still to be settled, but a final political agreement on the Capital Adequacy Directive is possible at a council meeting on June 23.

One of the spin-offs of the planned set of regulations is that it could seriously damage London Metal Exchange brokers. The fact that most LME members trade foreign exchange means they get caught by the directive's net.

Mr David King, the LME chief executive said yesterday that he had discussed the issue

on Wednesday evening with the UK treasury. He was accompanied by, among others, Mr Philip Thorpe, chief executive of the London Futures and Options Exchange.

Mr King said the treasury told him it was committed to seeking "some accommodation for commodity business within the directive," or ideally to exclude it altogether. "We have to weigh up every word, almost down to each dot and comma," he added.

One problem for LME members would be that a broker's net worth for regulatory purposes would be reduced by 8

per cent of the value of stocks it holds. At present LME warehouses hold nearly 2m tonnes of metal worth about \$3m.

Mr King said there was also a potential difficulty on the question of large credit exposures.

The International Commodity Clearing House would be deemed to be a counterparty, so the large credits outstanding between members and the clearing house could breach the exposure rule. The clearing house, owned by British commercial banks, clears and guarantees business on London's futures markets.

Natural rubber producers to consider free market

MEMBERS OF the Association of Natural Rubber Producing Countries' members, who are meeting here next week, appear willing to shelve ideas for a producer cartel, and explore the possibilities of an open market, a local commodity exchange official said yesterday, reports Reuters from Singapore.

"A new mood seems to be prevailing. I think there is a willingness among producers to give the open market a chance, to explore ways to find a better price through open

trade," said Mr Quek Kar Tung, general manager of Singapore's RAS Commodity Exchange.

Rubber producers, frustrated by an extended period of low prices, have been considering ways to boost prices. One idea recently mooted was a producers' cartel to restrain supply.

The producers' association, formed in 1970, groups India, Indonesia, Malaysia, Papua New Guinea, Sri Lanka, Thailand and Singapore, which for the bulk of the world's natural rubber output.

MARKET REPORT

Robust COFFEE prices closed weaker in London, while arabicas were down at midday in New York. The market will probably test life-of-contract lows, one New York trader said - "There is no reason right now for prices to go up". Technically, the market is in a downtrend and there is no fresh supportive fundamental news until the ICO meeting in London on June 22. London September COCOA hit a new 16 1/2-year low of 2531 a tonne, but recovered some of the loss by the close. Dealers said the prospect of further sales by the Ivory Coast - on holiday yesterday - continued to weigh on sentiment. ZINC prices rallied

from earlier 2 1/2-month lows by the close on the LME. Continued technical tightness kept the premium for cash metal over three-month at \$172 a tonne. PLATINUM's brief rally met resistance at \$370 a troy ounce on the London bullion market. Earlier speculative US commission house buying on Nymex triggered buy stops after weak US retail sales data helped to revive speculation of a US interest rate cut. The white metal was fixed at \$370 in the afternoon, up just over \$2 from the morning fix, before it slipped back in the face of initial upward resistance, London dealers said. Compiled from Reuters

London Markets

SPOT MARKETS	
Crude oil (per barrel FOB)	+ or -
Dubai	\$16.90-0.05 +0.25
Brent Blend (dated)	\$21.30-1.35 +0.25
Brent Blend (Jul)	\$21.20-1.30 +0.30
WTI (1st oil)	\$20.40-2.50 +0.25
Oil products	
ONE prompt delivery per tonne (C)	+ or -
Premium Gasoline	\$23.25-0.25 +0.5
Gas Oil	\$19.10-0.25 +0.5
Heavy Fuel Oil	\$18.10-0.25 +0.5
Naphtha	\$20.30-0.25 +0.5
Petroleum Argus Estimates	
Other	
Gold (per troy oz)	\$395.35 +0.35
Silver (per troy oz)	\$407.00 +1.1
Platinum (per troy oz)	\$370.00 +1.75
Palladium (per troy oz)	\$90.75 +0.25
Copper (US Producer)	106.80c -0.32
Copper (LSE Producer)	97.00c
Tin (Kuala Lumpur market)	18,075
Zinc (New York)	302.25c
Zinc (US Prime Western)	62.00c
Cattle (live weight)	111.50p
Sheep (live weight)	90.10p
Pigs (live weight)	67.10p
London daily sugar (raw)	\$27.75c +0.5
London daily sugar (white)	\$29.35c +0.5
Tate and Lyle export price	\$29.00c +2
Barley (English feed)	100c
Maize (US No 3 yellow)	\$1.40c
Wheat (US Dark Northern)	\$2.00c
Rubber (LSE)	62.00p
Rubber (LSE No 1)	62.00p
Rubber (LSE No 2)	62.00p
Coconut oil (Philippines)	\$220.00
Palm oil (Malaysia)	\$410.00
Cocoa (Philippines)	\$2,500.00
Soyabean (US)	\$161.50c -1
Cotton "A" Index	62.10c -2
Wooltops (4th Super)	410p

SUGAR - London POX \$/tonne	
Raw	Close Previous High/Low
Aug	226.40 226.80 228.20
Oct	216.40 216.80 218.20
Dec	206.40 206.80 208.20
Mar	206.40 206.80 208.20
White	Close Previous High/Low
Aug	294.00 294.40 296.80
Oct	274.00 274.40 276.80
Dec	264.00 264.40 266.80
Mar	254.00 254.40 256.80
Turnover: 27,744 (38,171)	
GAS OIL - LSE \$/barrel	
Jul	21.20 21.10 21.30
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Aug	21.20 21.10 21.30
Sep	2

Further losses as trading increases

By Terry Byland,
UK Stock Market Editor

THE HEAVIEST day's trading in London equities since just after the election of the Conservative government early in April saw the FT-SE 100 shed a further 22 points yesterday, bringing the 2,800 mark into closer perspective.

Disappointing reports on the domestic economy finally took second place to worries over Wall Street following the latest data on US retail sales and producer prices. Concern over the outlook for UK equities was also fuelled by reports of increased political tensions at Westminster regarding the Maastricht treaty.

Nervousness in the market was heightened as a series of

very large share deals moved across the trading screens. At least two substantial trading programmes were reported, the first worth nearly £100m in two-way activity, and the second about £30m, also matched between buy and sell orders.

There was very heavy business in Midland Bank shares as many arbitrageurs decided to bite the bullet and take losses on the large holdings built up when it still seemed possible that a counter-bid by Lloyds Bank might force higher bid terms from Hongkong & Shanghai Banking. There were reports of substantial losses by some securities houses. Traders also had to grapple with increased activity in British Steel, British Airways and Glaxo.

Account Dealing Dates		
First Dealing	Jun 15	Jun 29
Options Dealing	Jun 11	Jun 9
Account Dates	Jun 12	Jun 10
Next Dealing	Jun 15	Jun 29
Next Dealing	Jun 15	Jun 29

The general nervousness focused itself around the prospect for the next expiry of the stock index future contract in the middle of this month. Futures expiries have traditionally created pressures on share prices as the big securities houses struggle to hedge their positions in futures contracts and the underlying blue chip shares.

Traders believe that large

bulk positions built up in futures in the weeks following the general election could make the expiry settlement difficult.

Although the market made little further move in the second half of the session, there was hardly any recovery in the FT-SE 100 which closed 22 points down at 2,814.1. The mood was gloomy, and several strategists forecast that the Footsie 2,800 mark could come under pressure if Wall Street, showing a fall of 15 Dow points in London trading hours, continued to give way.

Store and retail stocks gave ground after the latest survey of distributive trades by the Confederation of British Industry (CBI) had indicated a slowdown in retail sales in May,

reversing the post-election upkick.

Most of the fund management core stocks came under pressure, with ICI, Glaxo, Reuters and Wellcome all recording sharp falls. The building and construction sector suffered a further setback as equity analysts digested the latest developments at Regal, one of Britain's best-known property groups, where the accounts were qualified by the auditors in view of the "very considerable uncertainty" affecting property markets.

By the end of the day, the stock market was sounding somewhat demoralised, and was beset by renewed hints that a large rights issue might be pending.

Heavy deals in Midland

THE Midland Bank takeover saga was taken a step further yesterday when Hongkong & Shanghai Banking was believed to have purchased two large blocks of Midland stock.

Dealers said that the two blocks, one of 9m shares and another 7.9m, were recorded on the Seag ticker as having traded at 420 1/4 and 422p.

James Capel, the leading UK agency broker owned by Hongkong & Shanghai Banking, was said to have bought the shares on behalf of the Hong Kong bank. Hongkong Banking recently said it held a 17.74 per cent stake in Midland.

It was said in the market that the 17m shares represented the last of the arbitrageurs, who had bought Midland stock in the hope that the takeover battle between Hongkong Banking and Lloyds developing, selling their stock. There were also hints that the stock had come from the Kuwait Investment Office which sold the major part of a 10.5 per cent stake in Midland at the end of April.

Midland shares slipped 6 to 422p, after 420p, after details of the share purchases became known. Turnover in Midland reached 4.2m.

company was reported to have assured City analysts in a series of phone calls that its most lucrative route, between London and New York, was as yet unaffected by the new transatlantic price war which started earlier this week. The effect on routes where the price war has already started was said to be negligible.

The shares lost ground earlier in the week as US airlines announced they were cutting the ticket prices on several routes from the US to Europe. But Mr Christopher Will at Lehman Brothers said: "The important thing is that fares are not being cut between JFK and Heathrow which is the really profitable route."

Welsh Water shares substantially underperformed the rest of the water issues after its preliminary figures revealed disappointing results, especially from the company's diversification away from its core water business. By the close Welsh Water shares were 16 lower at 451p.

Mr Robert Miller-Bakewell, water company specialist at County NatWest, described the shares as a straight sell and warned of a below average dividend increase for the current year.

Bank shares were unsettled by news that Standard & Poor's (S & P) had downgraded its long term debt ratings for Barclays, NatWest and Royal Bank of Scotland. S & P said it had shifted its ratings because of the prolonged recession and

its impact on the banks' balance sheets.

Barclays dropped 5 to 348p, NatWest the same amount to 338p and Royal Bank eased a shade to 197p.

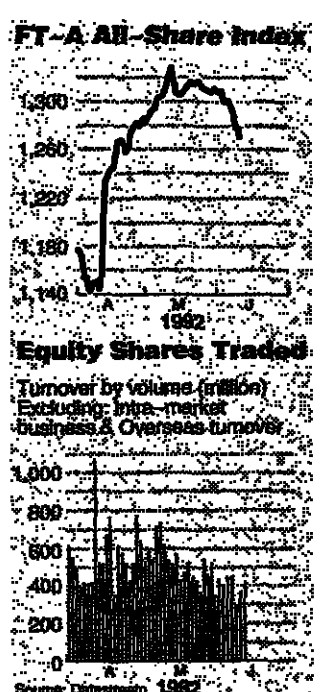
Smith New Court's excellent figures - profits surged from £7.6m to £18.4m on the back of its involvement in numerous big market deals including Hanson's purchase of a 2.3 per cent stake in ICI - saw the shares edge up 2 to 130p.

British Land provided some relief for a battered property sector. The shares rose 10 to 214p after the company announced a 7.4 per cent rise in profits to £38.3m, and a 10.4 per cent higher dividend of 6.35p.

Troubled jewellery chain Ratners gained 4 to 14 1/4p, on turnover of 2.4m shares, after announcing the sale of its Watches of Switzerland subsidiary to unlisted securities company, down 2 at 268p.

Fears that lower prices will be required to encourage consumer spending hit some leading high street stores. The CBI's monthly survey of the distributive trades showed sales slowed in May, while there is also concern about the impact of a price war in the DIY sector. Kingfisher, the B&Q holding company, slipped 5 to 615p.

Devenish lost 12 to 268p, but according to analysts is still likely to receive a bid from Boddington, unchanged at 181p, when the Northern brewer is free to renew its offer



in about a week's time, after last year's failed takeover attempt.

Turnover in British Steel soared to 18m following two big trades in the course of the session. A block of 7.4m was done at 70 1/4p, while another 9m went through at 71 1/2p. The company's broker UBS Phillips & Drew were said to have had a big seller of stock. The shares retreated 3 to 73p.

Wednesday's meeting and dinner at Hoare Govett, which was addressed by the new

chairman of British Aerospace left investors concerned about the outlook for the company. The main worries centre on the future of the regional aircraft division, which could force the company to make substantial provisions. This led to fears for the company's profits and dividend. The shares responded by falling 13 to 319p, on turnover of 2.7m.

Mr Brian Newman at Henderson Crosthwaite said: "The proposed merger between Fokker and DASA will leave BAE's regional aircraft division loss-making and isolated. This is the major strategic issue which the new management team need to resolve."

Oxford Instruments dropped 25 to 229p following the figures. Blick, on the other hand, jumped 16 to 414p in the wake of the 32 per cent profit improvement.

The Kalon bid for Manders saw the latter's shares slip upwards to close 54p firm at 281p and the former ease 2 1/2 to 108p.

Hints that ECC, formerly English China Clay, had indicated to a number of analysts that their forecasts were too high, prompted a flurry of selling which left the shares 13 weaker at 533p.

Glaxo setback

County NatWest, the securities house, appeared to be largely responsible for a bout of hefty selling pressure on Glaxo shares which fell sharply to close a net 27 off at 711p, on an exceptionally heavy turnover of 8.2m shares.

County's pharmaceuticals team published a research note suggesting that the UK Committee on Safety of Medicines has received a number of adverse drug reaction reports, associating the usage of Imigran, Glaxo's new migraine drug, with chest pain.

The County analysts said that even if Imigran was to prove a commercial disappointment, Glaxo's size and flexibility in expenditure growth rate would limit the impact on earnings growth. "Any marked underperformance from this development could leave the shares at very attractive levels," County said.

Airways firmer

The view that the price war between international airlines on some US routes would not hurt British Airways substantially held the shares buck the market trend.

The shares ended 7 up at 275p, having been higher on turnover of 7.8m, after the

FT-ACTUARIES SHARE INDICES

The Financial Times Ltd 1992. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Thursday June 11 1992		Wed Jun 10		Tue Jun 9		Mon Jun 8		Year ago (approx)	
Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change	Index	Day's Change
1 CAPITAL GOODS (179)	864.43	-1.1	6.66	5.33	19.48	15.19	873.84	873.38	877.86	833.16	
2 Building Materials (22)	887.31	-1.1	5.67	5.68	23.69	19.03	898.31	1002.99	1006.79	1009.15	
3 Contracting/Construction (28)	237.50	-1.2	2.89	6.44	35.89	24.80	248.99	254.13	267.54	264.43	
4 Electronics (29)	1983.39	-0.6	8.06	4.30	15.13	7.29	1994.85	1975.42	1988.17	1737.71	
5 Engineering-Aerospace (7)	377.59	-1.2	1.65	6.90	13.61	11.16	382.27	378.90	376.52	422.06	
6 Engineering-General (44)	548.89	-1.0	7.29	4.35	17.07	8.24	554.41	555.25	557.61	450.01	
7 Metals and Metal Forming (8)	344.92	-1.0	6.41	4.10	14.71	21.18	348.72	357.30	358.42	455.93	
8 Motors (14)	264.67	-2.3	7.24	4.41	18.16	10.04	275.46	275.46	275.46	330.05	
9 Other Industrial Materials (19)	1777.36	-1.0	6.97	4.66	17.29	33.79	1794.94	1790.61	1800.27	1529.21	
10 CONSUMER GROUP (188)	1674.77	-0.9	7.29	3.44	16.26	20.48	1690.63	1687.37	1689.94	1476.42	
11 Brewers and Distillers (24)	2172.50	-0.3	7.73	3.41	15.60	26.21	2178.92	2170.91	2176.39	1830.38	
12 Food Manufacturing (17)	1263.14	-0.2	6.41	4.10	14.71	21.18	1265.31	1276.72	1276.72	1164.20	
13 Retailing (28)	2873.18	-0.7	6.44	3.18	15.51	34.87	2899.84	2905.08	2911.54	2739.03	
14 Health and Household (24)	3968.66	-2.2	6.95	2.67	14.16	35.91	4056.94	4035.45	4044.64	3668.93	
15 Hotels and Leisure (20)	1339.30	-1.0	5.82	4.98	22.26	20.48	1373.07	1376.83	1376.33	1295.10	
16 Media (25)	1596.85	-2.4	6.11	3.30	20.38	18.10	1618.74	1618.66	1621.77	1433.16	
17 Packaging, Paper & Printing (17)	124.76	-0.9	6.25	4.01	19.62	11.94	125.61	125.61	125.61	108.29	
18 Stores (33)	1063.67	-0.2	7.38	3.48	18.26	12.26	1065.83	1066.98	1065.63	911.88	
19 Textiles (10)	720.18	-0.4	6.38	4.32	19.72	14.44	722.90	727.33	729.87	561.75	
20 OTHER GROUPS (116)	1297.63	-0.5	9.52	5.05	13.12	17.76	1303.65	1307.07	1318.42	1235.74	
21 Business Services (17)	1438.64	-0.6	6.80	4.43	18.54	13.71	1446.60	1453.16	1461.72	1221.36	
22 Chemicals (22)	1328.19	-1.5	6.98	4.10	17.93	15.75	1334.44	1335.64	1337.65	1157.65	
23 Conglomerates (11)	1349.62	-1.1	9.57	7.04	13.05	23.62	1364.19	1354.31	1371.68	1490.81	
24 Transport (14)	2650.73	-0.4	7.66	4.42	15.85	40.88	2662.17	2654.44	2671.15	2215.79	
25 Electricity (16)	1310.65	-1.0	13.60	5.09	9.36	17.21	1331.12	1318.26	1317.89	1204.28	
26 Telephone Networks (4)	1427.28	-1.0	10.75	5.99	19.64	18.02	1438.19	1457.13	1467.54	1265.57	
27 Telecommunications (2)	2820.79	-0.5	5.89	7.14	19.62	25.52	2834.38	2860.11	2890.98	2249.86	
28 Miscellaneous (22)	2061.70	-1.0	5.72	4.78	23.10	22.54	2064.25	2072.29	2069.47	1709.86	
29 INDUSTRIAL GROUP (483)	1354.03	-0.8	7.87	4.30	18.94	18.51	1365.15	1364.83	1370.91	1244.12	
30 Oil & Gas (17)	2157.55	-0.2	7.03	6.59	18.69	63.69	2161.93	2170.05	2181.99	2168.51	
31 500 SHARE INDEX (500)	1428.78	-0.8	7.78	4.54	16.10	21.93	1439.59	1439.86	1446.39	1340.21	
32 FINANCIAL GROUP (86)	759.50	-1.1	5.97	19.04	767.74	766.88	766.88	766.88	766.88	756.46	
33 Banks (9)	61.32	-1.2	5.02	5.68	31.53	24.58	62.93	62.93	62.93	62.93	
34 Insurance (Life) (6)	1351.89	-1.6	5.74	14.28	15.77	14.28	1357.84	1357.84	1357.84	1201.10	
35 Insurance (Non-Life) (10)	332.89	-1.5	6.43	5.99	15.64	15.64	332.89	332.89	332.89	332.89	
36 Insurance (Brokers) (10)	943.76	-1.1	8.08	6.91	16.28	25.92	954.19	952.93	957.84	1130.38	
37 Merchant Banks (7)	312.01	-0.5	4.22	8.56	51.80	51.80	312.01	312.01	312.01	272.20	
38 Property (32)	671.52	-0.5	8.73	6.82	15.51	16.55	680.10	687.61	687.61	631.16	
39 Other Financial (15)	258.24	-0.7	7.05	7.29	19.22	14.78	259.31	259.31	259.31	208.32	
40 Investment Trusts (69)	1800.92	-1.1	7.74	16.28	12.73	16.28	1811.38	1811.38	1811.38	1628.92	
41 ALL-SHARE INDEX (657)	1346.24	-0.8	7.49	4.69	16.28	20.89	1358.43	1358.43	1363.32	1206.74	
FT-SE 100 SHARE INDEX	2814.1	-22.0	263.1	263.5	263.1	263.5	263.5	263.5	263.5	263.1	

FT-SE 100 SHARE INDEX

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FIXED INTEREST

AVERAGE GROSS REDEMPTION YIELDS

Thurs Jun 11

Thurs Jun 10

Thurs Jun 9

Thurs Jun 8

Thurs Jun 7

Thurs Jun 6

Thurs Jun 5

Thurs Jun 4

Thurs Jun 3

Thurs Jun 2

Thurs Jun 1

Thurs Jun 30

Thurs Jun 29

Thurs Jun 28

Thurs Jun 27

Thurs Jun 26

Thurs Jun 25

Thurs Jun 24

Thurs Jun 23

Thurs Jun 22

What is the FT getting up to this Weekend?

Stefan Wagstyl in the FT's Tokyo office is absorbed by a very different scandal, the Minamata poisonings.

It is a story of suffering and intransigence, which tells much about the human cost of Japan's industrial power.

Robin Lane Fox, meanwhile, is carried away by female infidelity. They are all at it, according to the Mozart opera. But we should all be planting virgin white rockets, as they do in the middle-aged garden of Glyndebourne, he explains.

And so it goes on...

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

Saturday June 13, 1992

Weekend FT

FINANCIAL TIMES STOCK INDICES

	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May
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AMERICANS

Company	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	9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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Notes	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994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[illegible]

BERMUDA (STB RECOGNISED)

[illegible]

CANADA (STB) RECOGNISED

[illegible]

Starling High Yld... 1.001 1.001 1.001

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Global Convertbl Fund	...	5	320.67	20.67	21.98
Global Equity Fund	...	5	571.38	71.38	75.89

Atlantic States Fund	\$1,000.00	\$1,000.00	\$1,000.00
Bay Area Fund	\$2,000.00	\$2,000.00	\$2,000.00
UK Fund	\$2,000.00	\$2,000.00	\$2,000.00
ASIA Fund	\$2,000.00	\$2,000.00	\$2,000.00
Australia Fund	\$2,000.00	\$2,000.00	\$2,000.00
Hong Kong Fund	\$2,000.00	\$2,000.00	\$2,000.00
Japan Fund	\$2,000.00	\$2,000.00	\$2,000.00
Latin America Fund	\$2,000.00	\$2,000.00	\$2,000.00
Europe Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Energy Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Health Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Infrastructure Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Technology Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Water Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Food Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Education Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Environment Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Culture Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Sports Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Arts Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Music Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Dance Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Theater Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Film Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Literature Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global History Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Science Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Mathematics Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Language Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Philosophy Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Religion Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Politics Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Economics Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Law Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Medicine Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Engineering Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Architecture Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Design Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Fashion Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Beauty Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Fitness Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Wellness Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Travel Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Hospitality Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Food & Beverage Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Retail Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Wholesale Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Manufacturing Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Distribution Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Logistics Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Transportation Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Infrastructure Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Real Estate Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Finance Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Insurance Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Banking Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Investment Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Venture Capital Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Private Equity Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Hedge Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Commodity Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Derivatives Fund	\$2,000.00	\$2,000.00	\$2,000.00
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Global Commodity Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Derivatives Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global Structured Finance Fund	\$2,000.00	\$2,000.00	\$2,000.00
Global REIT Fund	\$2,000.00	\$	

EDUUS UK Growth ...	5	65.368	5.5168	5.6613
EDUUS UK Spec Sals ...	5	62.902	2.9021	5.1293

[illegible]

Sandra Han, Le Truchot, St. Peter Port, Guay 040
(Saints Bank Fund Managers) (Incorporated) Ltd

[illegible]

DC America Fd	6	35.736	5.736	6.199
DC Housing Fd	6	232.40	216.90	234.50

[illegible]

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128

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VIAG is a leading company in the German market for... (text continues in columns)

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D-5300 Bonn 1
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NASDAQ NATIONAL MARKET

3:00 pm prices June 11

Stock	P/E	Div.	Yield	High	Low	Last	Chng	Stock	P/E	Div.	Yield	High	Low	Last	Chng	Stock	P/E	Div.	Yield	High	Low	Last	Chng	
AMR Corp.	0.44	22	58%	34	34	34	1/4	+	De Sout	10	105	33	33	34	10	La Petre	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
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Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10	10	10	10	1/4	+	De Sout	12	108	34	34	34	10	Lead Pipe	0.12	14	52%	7	7	7	7	7
Amoco	0.16	73	10																					

+½	Stone Age	0.54	13	47	14½	013½	14½	+½	Ungelman	0.21	8	208	0½	03½	0	-½
+½	HonestyBot		16	681	3½	2½	3½	+½	Orshornel		5	11	6½	6	6½	+½
	Non Inde	0.36	18	3	19½	19	19½	+½	Cashap			6	4½	4	4½	+½
								+½	Orshornel 8	0.41	16	167	24½	22½	23½	-½

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[illegible]

POWER GENERATION EQUIPMENT

The FT proposes to publish this survey on
July 30th 1992.

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Data source: European Business Readership Survey 1992

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